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FINANCIAL TIMES

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***25p



SENTINEL
Rear fog lamps

NEWS SUMMARY

GENERAL

Iran fears over health of Khomeini

Iran's religious leaders are showing acute anxiety about the health of Ayatollah Khomeini, and his followers have been asked not to burden him with unnecessary visits.

Meanwhile, the Iranian Foreign Ministry has denied reports from Beirut that six of the U.S. hostages held by students had been killed while trying to escape. Page 2

In Tehran, a sit-in outside the British Embassy in protest against the arrest of Iranian students in London ended after 12 days.

\$200,000 raid

A gang which set up a fake jeweller's shop in Romford, Essex, lured salesmen there, held them up with iron bars, bound and gagged them and escaped with £200,000-worth of gems.

Chase death

Charges are unlikely to be brought against a man who chased, caught and sat on a 20-year-old purse snatcher, Leroy Eldridge Gordon, who later died, West Midlands police said. The chase happened after a woman, 74, had her purse snatched.

Goldsmith probe

The Trade Department is investigating a complaint that Sir James Goldsmith has been in breach of section 27 of the Companies Acts by not disclosing share dealings in Generale Occidentale. Back Page

Carnival plea

Metropolitan Police Commissioner Sir David McNee urged visitors to this weekend's Notting Hill Carnival not to let it be spoilt by a minority who saw it as a chance to "steal, fight, or disrupt."

Peace bid

Leaders of factions in the Chad civil war have been invited to peace talks in Lome, Togo's capital, the Organisation of African Unity said.

Air pioneer dies

James Smith McDonnell, a pioneer of the U.S. aerospace industry and founder of aircraft builder McDonnell Douglas, died in St. Louis, Missouri, aged 81.

Archers death

Actor Norman Shelley, who played Colonel Danby in BBC Radio's The Archers, collapsed and died at Finchley Road Tube station. He was 77.

England wins

England beat Australia by 47 runs in the second Prudential Trophy match at Edgbaston. Gooch made 108 and Boycott 78 towards England's final score of 320 for 8. Australia were 213 for 5.

Grizzly lost

Soldiers, police and volunteers failed to find Hercules, a 40-stone, eight feet tall, wrestling grizzly bear at large in the Hebrides after escaping during filming for a TV commercial.

Briefly . . .

Massey-Ferguson is to offer farmers a free Mini with every £23,000 combine harvester sold after September.

Police launched investigation after boy, 5, drowned in a crowded swimming pool at Sutton-in-Ashfield, Notts.

Urgent supplies of vaccine were flown into Heathrow from Paris to combat the dog disease parvovirus.

PUBLISHER'S NOTICE

The Financial Times will not be published on Bank Holiday Monday, August 25.

CHIEF PRICE CHANGES YESTERDAY

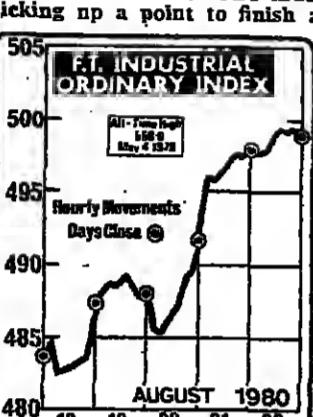
(Prices in pence unless otherwise indicated)

Akroyd & Smithers	322 + 19
Assoc. Dairies	214 + 6
Brown Shipton	368 + 10
Cheung Kong	214 + 6
Cope Sportswear	17 + 4
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Harris Queensway	164 + 8
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HK Kowloon Wharf	715 + 45
Hunting Assoc.	335 + 20
Keyser Uhlmann	95 + 4
Leasing (J.) 'A'	58 + 3
Marier Estates	56 + 5
Martin (R. P.)	72 + 5
Polly Pack	100 + 8
Racial Electronics	301 + 10
Gopeng Coos.	615 + 25

BUSINESS

Equities up 15.1 on week; \$ firmer

EQUITIES consolidated their advance, the FT 30-share index picking up a point to finish at



BY CHRISTOPHER BOBINSKI IN WARSAW

THE FOCUS is the wave of Polish labour unrest shifted yesterday to the northern port of Szczecin, where a Government commission was apparently taking a tough line to talks with strike leaders in the diocese for "a happy conclusion."

Mr Kazimierz Barcikowski, the Deputy Premier, leading the talks in Szczecin, was reportedly asking for "circumspection and reflection." He ordered prayers to all the churches in the diocese for "a happy conclusion."

The bishop's statement, the first by the Church on the unrest, was issued after he flew to Warsaw in brief Church leaders on developments in Gdansk, where the strikes have gone into their second week.

The talks between representatives of workers on strike in Szczecin and the commission headed by Mr Barcikowski have continued since Thursday morning inside the Warski shipyard.

The strikers have a list of 35

demands, including abolition of censorship, improvements in supplies to the shops and price controls.

The Szczecin shipyard workers have adopted different tactics from the Gdansk strikers and refuse to talk to the foreign press.

Guards on the gates tell newsmen that "this is a matter between us and the Government, and we don't want you involved."

In Warsaw the authorities continued to detain dissidents and search homes. Yesterday some 20 people were being held, but others arrested earlier were

Continued on Back Page

Background, Page 2; Decay of

Stalin's empire, Page 12; Man

of the Week, Back Page

UK PROTEST AT SOVIET JAMMING

BRITAIN'S Charge d'Affaires in Moscow has been instructed to arrange a meeting with Soviet officials to complain formally about the jamming of the BBC's Russian language programmes Elaine Wilson's writes.

Some workers at the Nowa Huta steelworks in the southern city of Krakow joined the strike yesterday, and furnace workers said they would walk out tomorrow morning.

In Gdansk, where the Baltic port strikes started, Bishop Lech Kaczmarek expressed understanding for the strikers, "who are demanding an improvement in their material and other

high-pitched noise as British programmes—as in 1968 when Russia invaded Czechoslovakia—Russia's programmes have been broadcast so that neither can be understood.

The BBC is considering switching to other frequencies in an effort to foil the jammers. The BBC normally transmits on six frequencies in the shortwave band for more than 36 hours a week. Transmitters in Cyprus and Misra, near Oman, boost the signal to the Soviet Union.

Times journalists strike despite closure warnings

BY CHRISTIAN TYLER, LABOUR EDITOR

TIMES JOURNALISTS yesterday carried out their threat to go on strike for the first time in the paper's 195-year history, despite warnings that the paper could be closed down "within days" if they did so.

The paper did not appear today and was not expected to be published on Monday, following the failure of conciliation talks at the Advisory, Conciliation and Arbitration Service over the last two days.

An emergency meeting of the Times' Newspapers Board has been called for tomorrow to discuss the strike. The issue before it is whether to meet the journalists' demand that 21 per cent pay increase recommended by an independent arbitrator should be implemented or whether to stand fast on its 18 per cent offer.

A senior editorial executive of The Times said the management was afraid of consequential pay demands from its printers, now entering annual negotiations, if its 18 per cent "cash limit" was breached by the journalists.

The Times has said it will

suffer a £10m trading loss this year and has already borrowed £18m from the parent company. The company lost £40m as a result of the 1978-79 shutdown and estimates the present strike could cost it another £600,000 a week.

The company has already made separate efforts to secure guarantees from the print workers about the operation of new technology and discipline issues which figured in the shutdown.

The decision to go ahead with the strike as taken yesterday by 117 votes to 34 with one abstention at a meeting of the journalists' chapel (office branch) of the National Union of Journalists.

Some journalists said afterwards the decision was not as much about money but about management's refusal to honour an award which was the product of a procedure they had been compelled to accept before the 1978 shutdown. The arbitrator's recommendation was not, however, accepted in advance as binding on the parties.

Others said they felt management had too long underrated the contribution of the journalists but had given in to the power bargaining tactics of the print unions.

The threat to close the paper appears to have come from the London management, not directly from Lord Thomson, chairman of the Toronto-based parent company. A senior executive said: "There is a very serious possibility of the paper closing. We cannot go on pouring money down the drain."

ACAS conciliation talks focused on the question of the proper basis for continuing negotiations. Management said it would negotiate on the difference between its offer and the arbitration recommendation, but the journalists wanted a commitment that the award would be honoured even if it had to be spread in such a way as to reconcile it with the 18 per cent limit on the increase in the pay bill.

The company has offered an increase of £650 plus 12.5 per cent to its 276 journalists, compared with the £1,000 plus 12.5

Continued on Back Page

Coral Leisure profits collapse

BY REG VAUGHAN

THE Coral Leisure Group, which is threatened with loss of its London casino licences following police and Gaming Board objections, saw its profits virtually eliminated in the first six months of this year.

Pre-tax profits collapsed from £8.85m in the corresponding period last year to £327,000.

This was caused by a big drop in profits from the casino operations, which contributed more than a third of the 1978 group total, by the lower demand elsewhere in the group generally, and by increased off-season expenses.

Coral warned yesterday that "it was now unlikely" the profit shortfall would be made up in the second half.

In 1979 the group achieved a trading profit of £31m compared with 1978's £26.2m, with the casino division contributing an increase from £7.1m to £11.2m.

The stock market reacted to the results by clipping the share price 4p to a year's low of 56p. This reduced the market value of the group to £47.2m at the end of the day.

The group takes in a betting shop, chancery, casinos, greyhound stadiums and Pontins' holiday centres and hotels. It said that with the exception of racing, which showed record results, most divisions could not match the profits earned in the previous half year.

The bearing on the renewal of the group's casino licences before the South Westminster licensing justices, which began on July 7 and was adjourned at

the end of the month, resumes on September 22. It is expected to end shortly afterwards.

The Metropolitan Police and the Gaming Board seek cancellation of the licences of the group's London casinos—the Palm Beach, the Curzon House, and the International Sporting Club—and allege breaches of gaming laws and crimes involving dishonesty.

Mr Bernard Coral, former head of the group's casino division, who is the main Board in June, faces 12 charges, including conspiracy to pervert the course of justice. He has been remanded on bail until September 21. A further 31 past and present Coral employees face a variety of charges.

Details, Page 14; Lex, Back Page

CONTENTS

Eastern Europe: slow decay of Stalin's empire	12
Interferon: the high stakes gamble	13
Your savings: insurance and the ferry queues	5
Property: buying part of a mansion	6
Appointments	22
Arts	22
Books Page	5
Bridge	11
Cards	13
Commodities	21
Company News	14-15
Crossword Puzzle	10
Economic Olary	4
Entertain. Guide	10
Euro. Options	22
Finance and Family	4
FT Actuaries	24
How to Spend It	21
Int'l Co. News	21
London	12
Letters	23
London Options	22
Man of the Week	28
Minerals	4
Money & Exchange	23
Overseas News	22
Property	4
Racing	7
Share Information	26-27
Stock Markets	22-23
INTERIM STATEMENTS	23
London	24
Wall Street	15
ANNUAL STATEMENT	3
Money Johnstone	28
OFFERS FOR SALE	22
Your Savings/Inv.	2
Base Lending Rates	6
Fidelity Int.	1
Garments	5
Building Soc. Rates	22
Local Auto. Solds	23
UK Convertibles	23
AI Industries	24
Union Steel	2
ANNUAL STATEMENT	2
Money Johnstone	28
OFFERS FOR SALE	22
Fidelity Int.	1
Garments	5

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Bonn and
GDR
cancel
talks

By Jonathan Carr in Bonn

THE SUMMIT MEETING between East and West Germany fixed for next week has been cancelled as Bonn's request because of the unrest in Poland. It would have been the first formal inter-German

mandate remained free, but dockers refused to unload a container ship which broke through the blockade on Thursday.

Yesterday's moves came ahead of a series of meetings today between local prefects and fishermen's representatives.

A national conciliation board is due to meet on Monday to

OVERSEAS NEWS



A cross, lit at night with coloured lights, stands outside the shipyard at Gdansk, a memorial to the workers killed in the 1970 riots at the yard where Lenin's strike statue now watches... ignored.

Under Lenin's eye, the workers unite

Chris Bobinski, recently in Gdansk, reports on how the strikers decide who suffers and who may work

A LIFE-SIZE statue of Lenin stands on the stage gazing down on the main conference hall in the Gdansk shipyard. After years of presiding over dull and predictable official meetings and ceremonies, it must come as something of a relief to the Soviet revolutionary veteran to see the working class actively involved in the struggle for its rights.

The 600 or so delegates in the inter-strike committee, which is co-ordinating the action in Gdansk, sit along tables listening to and applauding speakers as they recount the situation in their strike-bound and occupied plants.

In one corner women stand making sandwiches for the delegates. In another, people type out appeals and lists of striking plants.

The inter-strike committee meetings are held twice a day. A loudspeaker system broadcasts the proceedings throughout the shipyard and they can be heard outside the gates, where hundreds stand and listen.

Delegates decide on the problems of the individual plants. A representative from the glassworks in Starogard and Gdansk tells the others that installations at his works have to be repaired as enormous damage would occur if this was not done.

Mr. Lech Walesa, one of the strike leaders, suggests that the glass workers should do the job. "We mustn't allow damage, we mustn't allow the machinery to suffer," he says, and the delegates clap their approval.

Someone else explains that the police are stopping trucks which the strike committee has permitted to deliver essential supplies to the shops, because they have a Red Cross sign on their windows, showing they are not strike-breaking.

"Stop deliveries," someone shouts, and someone else suggests that the Red Cross signs should be painted on the trucks so the police can't rip them off.

People are constantly coming up to the stage to announce that

some other plant or business has come out. "I'm from the TV repair men in Gdansk and we've decided that as the radio and TV aren't telling the truth about what's going on here, we're going to stop repairing sets," a man says to applause.

All the time it is obvious that the concept of a strike in a country where there are no formal owners of industry is unclear. The strikes in Gdansk are more akin to a demonstration.

The strike committee continually has to decide how much society should be made to suffer. Some plants who are supporting the committee have been allowed to carry on working as they operate essential services — the power plants, bakeries and food deliveries, for instance.

People are well aware of the social cost of the stoppages. One woman even got up to propose that some of the strikers

"instead of doing nothing all day," should go out and help with the harvest.

On the other hand, everyone knows that the only chance of winning the demands is for the strike to continue. One of the arguments against permitting

some of the buses and trams to ferry workers on essential services home and back is that the lack of transport on the streets is a symbol of the strike for the people in the town as well.

"If they saw one driver coming out," a woman argues, "the townspeople would call him a strikebreaker.

"It's amazing," she adds. Before, they were always complaining about the buses not running on time. Now they haven't seen them for six days, and no one is moaning."

There is some police harassment of the strikers. Vans from striking plants are stopped and searched and occasionally driving menaces are taken away.

Some strike delegates have been held for a few hours at a time, but handled gently.

The authorities are particularly eager to lay their hands on leaflets produced by the strikers. There is a small printing press in the Gdynia Paris Commune shipyard and the police stop cars going in and out.

One night they tried to halt an ambulance driven by strikers as it was leaving the shipyard. It didn't stop and was chased to the Gdansk yard 15 kilometres away. The next day the police stopped any ambulance they saw, convinced they were being used to carry leaflets.

Religious practice is on the increase. Church services are now held at some of the striking shipyards every day. At the Gdynia yard the strikers say the cross they have put up will stay when the strike is over. At night it is illuminated with coloured lights.

Levin, ignored by the workers, delegates in the Gdansk shipyard, must be wondering what the world is coming to.

In the past, state intervention has tended to come in the form of rescue operations for striken companies and has been conceived for social rather than economic motives.

However, the aerospace sector boasts a steadily growing work force, currently at 38,500, and increased its sales in 1979 to £1,200m (£250m). Total investment in 1980 is scheduled to rise to £185m, from £100m last year.

Aerospace planning committee for Italy

By Rupert Cornwell in Rome

THE ITALIAN Government has set up a top-level committee to produce a co-ordinated plan for the development of Italy's dynamic but highly fragmented aerospace industry.

The working group, to be made up of top executives of the leading aerospace concerns — Aeritalia and Agusta from the public sector, and Aer Mecchi and Piaggio from the private — as well as from the two main engine producers Fiat and Alfa Romeo, aims to put the industry on a sounder footing to take part in the joint ventures increasingly dominating the sector in Europe.

Previous efforts at industrial planning in Italy have not been over-successful.

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Economy slows in France

By Robert Maitner in Paris

THE SLOWDOWN IN economic activity in France since early this year has been confirmed by the latest industrial survey conducted by the National Institute of Statistics (INSEE).

The institute reports that French industrial production is expected to decline by about 5 per cent between the first and last quarters of this year as a result of falling domestic and foreign demand.

Demand for consumer goods is expected to remain slack throughout the rest of this year and a marked fall is predicted in foreign and domestic orders for capital and semi-finished goods during the third quarter.

South African imports surge

By Bernard Simon in Johannesburg

SOUTH AFRICA'S imports totalled a record R1.5bn (£833m), last month, from R1.1bn in June, bringing imports for the first seven months of 1980 to 52 per cent up on the same period in 1979.

The sharp upturn in business activity this year, and a significant appreciation of the Rand have prompted a surge in import orders, mainly for capital equipment.

Although some sectors, such as steel and ferro alloys have reported a decline in exports recently, foreign sales in July, including gold, reached R1.9bn, giving a trade surplus for the month of R339m against R419m in June.

Brazil set for \$2bn trade gap

By Diana Smith in Brasilia

BRAZIL'S trade deficit for July was \$197m (£83m), bringing the seven month trade account deficit to \$2.2bn. Publication of the figures by the Brazilian Export Bureau has caused the Government to revise predictions about balancing imports and exports.

Having insisted that foreign trade would be balanced in 1980 at imports and exports of \$280bn, Sr. Antônio Deimón Neto, the Planning Minister, has now publicly admitted that the year is likely to end with a trade deficit of \$26bn.

Syria's rulers call for stronger Soviet links

By OUR DAMASCUS CORRESPONDENT

SYRIA'S ruling Ba'ath Party has called for the strengthening of relations with the Soviet Union. The central committee, the top political authority in the country, made the call after a four-day meeting here.

Observers believe this pressages an attempt by President Hafez Assad to achieve a kind of defence alliance with Moscow, without Syria giving up its stated policy of non-alignment.

Syria has close links with Moscow which has supplied it with its latest T-72 tanks, but so far the Soviet Union has refused to give Syria enough arms to achieve military parity with Israel.

Western and Arab diplomats believe this is because Syria has

not been prepared to sign a treaty of friendship and co-operation with Russia.

Syria has stepped up its crackdown on Moslem Brotherhood terrorists who have staged bombings and assassinations of regime members over the past year and a half. 18 people are known to have been killed in raids in the past 10 days.

Some 750 Moslem Brothers have given themselves up under an amnesty given last month by President Assad which expires at the end of August. Three major raids took place in the northern city of Aleppo in which seven Brothers were killed and arms, printing presses and an explosives factory were found.

There is little optimism here that Mr. Linowitz will be able to persuade either side to soften its position. With the U.S. election looming, it is felt that President Jimmy Carter's envoy will not carry enough clout to pressure either side into making concessions.

Israel continues to express willingness to return to the negotiating table, but is not prepared to make any placatory gestures towards Egypt.

In Jerusalem it is felt that President Sadat may agree to renew the talks as a favour to President Carter.

Reuter adds from Beirut: Lebanon yesterday asked the 10 countries with troops in the UN peace-keeping force there for help in ending Israeli attacks, state-run Beirut Radio reported. Israeli forces and their right-wing militia allies over the past few days have repeatedly attacked Palestinian positions in South Lebanon, where the 6,000 UN peace-keeping troops are stationed.

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U.S. bid to re-start autonomy talks

BY DAVID LENNON IN TEL AVIV

THE U.S. Administration is launching a new drive to restart the Palestinian autonomy negotiations between Egypt and Israel, which collapsed four months ago after a year of fruitless discussions.

Mr. Sol Linowitz, the special U.S. envoy, will visit the Middle East next week to examine the prospects of renewing the talks on the future of the Israeli-occupied West Bank and Gaza strip, against a background of increasing strain in relations between Egypt and Israel.

The U.S. decision to activity was welcomed by Mr. Menahem Begin, the Prime Minister.

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Israel

UK NEWS

Bisgood
may widen
base after
losses

By Christine Moir

BISGOOD BISHOP, one of the leading firms of jobbers, lost £240,000 before tax in the year to April and is studying ways to diversify.

Shareholders, which include Williams and Glyn's Bank, Legal and General and Bricomip Investments, will receive the same dividend as last year, but only at the expense of reducing reserves by £249,000 to £1.85m.

The annual report and accounts, published yesterday, show that the firm managed to maintain turnover at about £775m although it operates only in the equities markets where turnover in recent years has lagged behind gilt.

It was however, unable to translate the heavy "bull" position held at the beginning of the year into profits. Bisgood had been carrying a highly optimistic portfolio expecting strong rises in share prices following "the defeat of the Socialists". Mr Jimmy Bisgood, the chairman, explained in his annual statement.

In the event, the market went sharply into reverse immediately after the election, and Mr. Bisgood said, "the thinness of the market prevented positions being levelled off anywhere near the then current price."

"A penal Minimum Lending Rate added to our problems" he added, increasing interest charges by £100,000 to £680,000.

Furthermore, hopes of a build-up in the traded options market remained "a case of deferred" as turnover in this market remained low in the absence of vital tax changes.

Meanwhile, the firm carried the costs of dealing with a specialist dealing in the market specialising in this field.

In 1978, Bisgood attempted to merge with fellow jobbers Sims Bros, but the merger fell through after it was finally cleared by the Monopolies Commission.

Warning over
heart drug

DOCTORS HAVE been warned by the Government's "watch dog" on drugs safety, of the risks of the heart drug clofibrate, marketed by ICI as Atronid-S.

A trial by the World Health Organisation—published today in *The Lancet*—found that 25 per cent more men given the drug died than was the case with control group.Fidelity to go
on full-time**FIDELITY RADIO**, the only UK manufacturer of radios for the mass market, goes back to full-time working on September 1 after operating a three-day week for six months.

The company, which had 100 redundancies out of its staff of 600 in March, says it is able to return to full-time working because of demand for products it has recently introduced. There is particularly strong demand for its new small black and white television.

New post for
Sir A. Duff

SIR ANTHONY DUFF, a former deputy secretary at the Foreign and Commonwealth Office, is to take up an appointment at the Cabinet Office from September 1.

It is understood that the post is of security and intelligence co-ordinator.

Two magazines
raise pricesTWO publications of the Financial Times group are to increase their cover prices this autumn. Commencing with the September issue *The Banker* magazine, published monthly by Business Publishing Ltd, will be priced at £1.75, up from £1.50.*Apollo*, the specialist arts magazine, will raise its price to £2.50 from £2 beginning with the October issue.

Redundancies mount in shoes and diesels

By KENNETH GOODING AND GARETH GRIFFITHS

TWO well-known companies, C. and J. Clark, the shoe manufacturer, and L. Gardner and Sons, the diesel engine group in Manchester, both in industries hard hit by the recession, announced redundancies yesterday, which may total more than 1,200 in areas already suffering from high unemployment.

Gardner blamed the recession in the world commercial vehicle industry for its decision to cut its 2,450 work force by perhaps 700 in three months. It is the third diesel engine group to announce major job cuts. Cummins, the American-owned group, plans to reduce its work force by 12 per cent, more than 600, from October. Last month, Perkins, the biggest diesel engine manufac-

turer in the UK, said it would cut about 700 jobs.

Gardner, part of the Hawker Siddeley group, has been on a three-day week since August 11. Its plant is only a few hundred yards from the headquarters of the John Myers mail order company, in Eccles, Lancs., whose closure at the end of 1,900 jobs was announced this week.

C. and J. Clark is to close two factories at Tonypandy, Rhondda, and New Tredegar, with loss of 390 jobs. Seventy people at its Minehead factory, at Dunstable, Ireland, and 40 at the company headquarters at Street, Somerset, also lose their jobs. The redundancies are in the women's shoe division, hit by competition from cheap Brazilian imports.

Clark employs 6,500 in 18 factories. It announced 150 redundancies in its men's shoe factory last month.

Children's shoes are the only secure part of the shoe market at present, and back-to-school sales have been encouraging.

The company produces about 15m pairs of shoes a year, and aims at the middle-priced sector with a range from £15 to £25.

Unions at the factories were consulted over the redundancies. The announcement had been expected for two weeks. The closures will be permanent.

The British Footwear Manufacturers' Federation said yesterday that the footwear industry had been losing 1 per cent of its work force every month since the beginning of the year.

In Northamptonshire 84 per cent of shoe manufacturers were on short time, and the industry had more than 15,000 workers on short time.

Mr Michael Fielden, director-general of the federation, said the footwear industry tended to be hit by depression earlier than most sectors of the economy.

It had received little encouragement from the Government, and imports accounted for 48 per cent of the market in volume terms and 36 per cent in sales value.

Birmid Castings, part of the Birmid Qualcast engineering group at Smeethwick, will reduce its 960 workers by 119. It blames the slump in the car industry.

British Timken, making tapered roller bearings, will put

LABOUR

Fight to save
1,900 jobs hit
by Myers' sale

WORKERS' representatives will meet John Myers management next month to see if any of 1,900 jobs to be axed can be salvaged from the sale of the mail order company.

Most of the workers at the Manchester-based company are women. Of the 1,900 workers, 400 are part-time.

UDS Group said on Thursday that it was selling the business, and that 17,000 Myers agents and debts owed by catalogue customers would be handed over to Great Universal Stores in January.

Most of the workers belong to the Union of Shop, Distributive and Allied Workers, whose Press officer, Mr. Pat Jones, said yesterday: "Our members were shattered. We are meeting the company on September 4 to see what can be done."

"It will be a question of looking for redundancy terms. We don't think many of these jobs can be saved."

Senior union officials were not surprised that Myers should find

it impossible to continue in the present slump.

"The factors that have hit the High Street will affect orders through the mail order catalogue," said Mr. Jones.

Although Myers was one of the biggest mail order businesses, it is understood to have been badly hit by high postage rates. This has been overcome by large groups such as Littlewoods and the British Mail Order Corporation by setting up distribution depots.

Even a recent £2m investment in computers to streamline the Myers operation did not stave off closure.

Mr. James Smeddon, managing director, said: "The company has not been profitable for some time, and the current economic position has made the situation more acute."

The 160-year-old company's offices are in Trafford Road, Eccles, and it has a warehouse in North Reddish, Stockport. It has said there will be no redundancies before November 21.

Low wage deals
failing to save jobs'

MR. MOSS EVANS, leader of the transport workers' union, yesterday blamed the Government's economic policies for Britain's recession and denied any link between high wages and unemployment.

He told a conference of the Industrial Society in Birmingham that it was obvious that some workers who had accepted low wage settlements had been the ones to lose their jobs.

Wages were only a part of the whole production question in spite of Government claims that they were at the heart of the problem.

He called for selective import controls, increased public spending.

ing, drastically reduced interest rates, and devaluation of the pound to boost industry.

Mr. Evans said that unemployment was at a disastrous level, with the real figure well over 2m if unregistered women and part-timers were included. The West Midlands, once the envy of Britain's depressed regions, now had 160,000 out of work.

He attacked Mrs. Thatcher's remarks that the unemployed should move to find work.

"For year after year, people have been moving," said Mr. Evans. "But to say now there is nowhere to go. The West Midlands can't provide the work any more."

Hoover reviews lay-offs

By RAY PERMAN, SCOTTISH CORRESPONDENT

HOOVER SAID yesterday that it would look again at proposals for redundancy and short-time working after rejection by workers at the Cambuslang factory, near Glasgow, of a scheme put forward this week.

The 2,800 workers were angry at the difference in lay-off pay proposed by the management. Production employees would get three-quarters of their normal wages for the one week in each month when the plant would be closed whereas white-collar staff

would also be resisted.

The meeting also supported a proposal to make 160 part-time workers, mostly women, redundant.

There has been no union reaction from Hoover's other plants at Merthyr Tydfil and Pervale.

Basnett hopes
to see Gdansk

MR. DAVID BASNETT, who is to head next month's controversial TUC delegation to Poland, said yesterday that the delegation wanted to meet the Polish strikers, including the workers' committees in the Gdansk area, as well as the official trade union movement.

Mr. Basnett, general secretary of the General and Municipal Workers' Union and chairman of the TUC's economic committee, rejected "hysterical" criticism of the visit, which is due to start on September 9.

It is better for us to go and to discover the situation at first hand than to make the futile and empty gesture of cancelling the arrangement," he said.

Unions support
fishermen

THE SCOTTISH TUC has offered to support fishermen in their campaign to persuade the Government to increase aid to the industry.

At a meeting in Aherden, Mr. James Milne, STUC general secretary, said that the main unions in the industry would press the Government to increase the £14m aid promised to trawler owners.

They would also call for intervention to stop prices falling to the levels which led to protests by Scottish fishermen three weeks ago. Many owners said low prices made it unprofitable for them to go to sea.

TUC surveys impact of dole

A SURVEY of people who may have killed themselves rather than face life on the dole is being compiled by union leaders.

The TUC's north-west regional council is convinced that unemployment is having a great effect on the mental and

physical health of families. It says some people are taking their own lives rather than face the degradation of unemployment.

A dossier of such cases will be compiled and sent with the council's views to the Government, the medical profession and the TUC.

Higher phone charges explained

By JASON CRISP.

IF THE Post Office had not raised telephone charges for the second time in 10 months it would have exceeded its cash limits by more than £40m, according to evidence submitted to the new industry committee, the Department of Trade said. It was considering the case for such an extension in the light of the possible implications for the United Nations Law of the Sea conference. This conference, which is due to produce an agreement early next year, is looking at a whole range of maritime issues.

New list
recognises
276 banks

By Alan Friedman

THE Bank of England yesterday released its latest official list of recognised banks and licensed deposit-taking institutions in the UK.

This was the sixth list produced by the Bank since it began issuing the notices in April, and it included 276 recognised banks, one fewer than last month. The absent bank, Investments and Handelsbank AG, was deleted because it had been taken over by the Hessische Landesbank.

The Bank of England list also included 30 additional names under the "Licensed Deposit-taking Institutions" heading, a rise from 156 to 216. Included among these were Citibank Trust and M. J. H. Nightingale.

Additions to Bank of England list of licensed deposit-taking institutions:-

Anglo-Yugoslav (LDT). Assemblies of God Property Trust. Banque du Rhône et de la Durance. Banque Union Corporation. Andover.

Catalic Finance. Cattell Holdings Finance. Cumbria Trust. County House Purchase.

Cleveland Guaranty. Co-operative Commercial Bank. The Co-operative Bank and Trust.

Eagle Discount. James Finlay Corporation. First Indemnity Credit.

Harvey Finance. Heston Finance (Midlands). Holdenhurst Securities.

Lombard Street Investment Trust. Lordlevens Finance.

Mashers Trust. Newlands Investments (West Midlands).

M. J. H. Nightingale. The People's Bank.

Pointon York. P. S. Reiss.

Walgett Old Hall.

In raising funds in the money market.

It says cash limits set by the Government for the two years 1979-81 mean that the Post Office not only has to finance all its capital investment internally but has to repay £45m in loans.

The corporation's evidence is that because it faced settling pay negotiations with the engineering workers at a higher level than expected, and because of increasing investment, it would exceed its cash limit at 1979 survey prices by about £30m. This would be more than £400m in out-turn prices.

After the evidence was submitted, the Post Office settled a 23 per cent increase with its 150,000 engineering staff. Shortly after this settlement the corporation announced increases in telephone charges, effective November 1, which average between 18.5 and 22

per cent. In the current year this will increase revenue by about £220m.

The Post Office said yesterday that it was on target to meet its cash limits. The additional savings were made by increasing the number of private exchanges leased through a finance company, by deferring purchase of buildings not urgently needed, and by cutting back on vehicle replacement.

British Shipbuilders told the committee earlier this year that it would need £40m of external finance in 1983-84, at then estimated out-turn prices. This would be a reduction of about 84 per cent on the 1979-80 external finance limit of £250m.

But this estimate is being revised as part of a reappraisal of the corporation's financial position.

The two oldest of the plant's six batteries are due for retirement in 1982-83, and the remainder in the 1980s, but the company also faces the threat of closure by the Alkali Inspectorate on grounds of unacceptable pollution.

The show is likely to be the last at Earls Court. The next, in 1981, is at the National Exhibition Centre in Birmingham.

The organisers expect attendance at this year's show to

reach more than 150,000 again before the gates close on August 30.

Among manufacturers at the show are the four Japanese majors, Honda, Suzuki, Yamaha and Kawasaki. The Italian influence is also strong, with products grouped together in a special "Italian centre."

The East European industry is well represented, with Neval motorcycles from Russia and Java and CZ mopeds and motorcycles from Czechoslovakia.

Western European participants include West Germany (BMW), Austria (Puch), Holland (Batavus), France (Mobillette), and Spain (Sanglas).

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reach more than 150,000 again before the gates close on August 30.

Even one of Irvine's "success stories", Volvo Trucks (GB), which will turn out 1,400 heavy vehicles this year, is facing difficulties.

At the same time as announcing a £5.5m export order for

Aldis double-deck buses designed in Irvine, the company saw little hope of avoiding a three-day week of overtime at the end of September and the New Year.

Irvine's leisure centre—a symbol of hope for the unemployed

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THE WEEK IN THE MARKETS

Raising temperatures in a cold climate

The stock market has paid more attention to the warm weather this week than to the Government's financial policy is in serious difficulties. Equities have pushed up to a new peak on the All-Share Index, while the FT 30-Share Index has returned to the region of 500, and even gilt-edged have more or less held their own.

Apart from the trade figures, which showed a handsome current account surplus in July, most of the economic news of the week has been poor. The public sector's borrowing needs are nowhere near under control, and the slump which has knocked the stuffing out of corporate profits does not yet seem to have made great inroads into wages, a vital component of business costs.

In addition, U.S. interest rates have started to rise again, and the London money market has been very tish—ludicrously so on Wednesday, which was the banks' monthly make-up day. But gilt-edged investors are still holding on to the view that sooner or later the recession will force UK rates down, rather than worrying about the amount of new stock that the Government may want to sell after the summer holidays.

Barclays bad debts

It was only five years ago that the City was forced to learn the difference between a banker's specific and general bad debt provisions. In those days the financial community was start-

ing to count the cost of the property-linked secondary banking host. Now those lessons are being dusted over once more, the crucial difference being that it is the manufacturing sector which is suffering a cash flow strain at least and—at worst—suffering a climbing rate of business failures.

The bankers' recourse is obvious, particularly after a period in which the endowment effect on the sector's retail branch activities has been so overwhelmingly favourable. It makes a great deal of sound commercial banking sense, to say nothing of the perceived political advantages, which may be gained to smooth the rate of profit growth by jacking up the rate of bad debt provisions. The effect is to spike what might otherwise be profits bonanza.

Barclays Banks' last week completed the clearing bank's interim reporting season and, like the rest of the sector, its provision for bad and doubtful debts has climbed rapidly from £26.2m in the first half of 1979 to £28.5m in the second six months of that year and, finally, to no less than £64.4m in the first half of the current period. The bulk of the increase arose in specific provisions which amounted to £38.2m out against just £1.1m in the comparable month of 1979 although a further £26.2m was taken to general bad debt reserve.

The provision was bigger than that made by any Barclay's com-

petitors but it wasn't enough to stop the bank from showing above average interim growth. With an encouraging 40 per cent rise in the pre-tax contribution from Barclays Bank International to £83.9m, the bank as a whole achieved a 13 per cent gain at £291.1m—which compares with a 7 per cent increase for the major banks combined.

Domestic profits cannot be very buoyant in the short term—rising costs and lower interest rates will see to that—but stockbroking firms such as Boars, Govett are optimistic about the benefits of overseas expansion and a more diversified gross asset base.

Composite confidence

The half-yearly figures from the three U.S.-orientated composites, Commercial Union, General Accident and Royal, published over the past two weeks, came as good news to the market which has tended to expect the worst from these companies. GA improved its pre-tax profits by one-third to £40m and Royal by 10 per cent to £62.4m, while CU was barely lower at £57.6m against £58.1m.

This provided the necessary reassurance to a market that knew the underlying strengths of the sector, but awaited some positive proof of performance. The FT-Actuaries Composite index improved 10 per cent in specific provisions which amounted to £38.2m out against just £1.1m in the comparable month of 1979 although a further £26.2m was taken to general bad debt reserve.

The common features of the three results is that business in

the U.S. is not as bad as feared and results in the UK are much better than anticipated. Although all three companies suffered higher underwriting losses in the U.S. over the first half of the year, the current downswing in the trading cycle seems quite mild compared with the last downturn in the mid-1970s. And it looks as if the nadir could be reached in the next year or so.

In the UK, the companies are now seeing positive results from their moves to index-link sums insured and premiums on household business. This, coupled with the mild weather in the last winter, has restored the UK business to strong underwriting profits. GA, with its major motor account, is particularly benefiting from a lower

LONDON ONLOOKER

number of claims. The only dull sector relates to commercial firms where, as expected in a time of economic depression, there has been a large number of blazes.

The outlook for the other

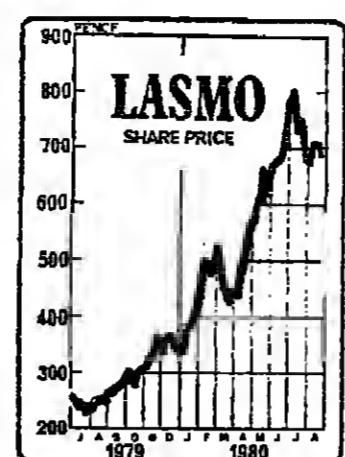
composites, due to report over the next few weeks, looks promising—since none of these is heavily involved in the U.S. And over the whole year pre-tax profits in aggregate should match last year's figures, backed by continued growth in investment income.

Dividend prospects also look good, although at the interim stage all three behaved cautiously—CU's rising by 10 per cent, Royal's 12 per cent and GA's by 13.8 per cent. In particular, Royal now feels in a position to relax slightly its strict aims on underwriting quality and go a bit harder for premium growth.

LASMO's share price growth has been one of the wonders of Throgmorton Street. Since January 1979 shares managed to quadruple to a recent peak of more than 800p. But at yesterday's price of 680p, down 32p on the week, the shares seemed to be trading close to the estimated value of net assets, £1.2m.

Over the past year and a half, LASMO's share price growth has been one of the wonders of Throgmorton Street. Since January 1979 shares managed to quadruple to a recent peak of more than 800p. But at yesterday's price of 680p, down 32p on the week, the shares seemed to be trading close to the estimated value of net assets, £1.2m.

The reasons for this seeming



lack of appreciation included fears about the chances of hitting oil production targets at the crucial Niran Field in the North Sea. LASMO's ticket to success. In addition, interest charges were up and the prospect of an international oil glut began to send shivers down a few shareholders' spines.

But LASMO's cash flow is expected to remain strong this year, rising above £60m and helping the group with repayments of its bank debts in the UK. It has taken on new dollar borrowings to aid its U.S. oil and gas purchases, but net debt should still fall in the second half of this year.

The goal is to clear the decks

sofisitically so that LASMO can pay its first dividend next year.

Even so, the dividend yield

is reasonably attractive at over 9 per cent

Other principal recovery factors were the buoyancy of the dry cargo markets and the fact that many ships were fixed at quite attractive terms before freight rates began to drop.

Overseas Containers was ex-

pected in some quarters to make a reduced contribution at the halfway stage but the Far Eastern trades continued to progress satisfactorily and South African trades recovered well.

Certain problems remain, with narrowings of around £200m, gearing remains high and, although cash flow has

clearly improved and interest rates may be expected to fall, debt servicing will be a heavier burden in the second half as Ocean starts paying interest on the two new ships delivered recently. The £63m gas taker, Nestor, is still laid up.

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A puzzle for the brokers

WHERE, OH WHERE is the U.S. economy heading? Answers on a postcard please to Any Brokerage House, Wall St, New York, NY 10005, U.S.A., as soon as possible. All contributions gratefully received, especially if they include a diagram explaining the thought process of Mr. Paul Volcker, chairman of the Federal Reserve Board.

In a week when the Dow Jones Industrial Average plummeted 26 points and then bounced back again, that heavily worked word "uncertainty" somehow fails to catch the mood. Sheer panic and blind hope would be more accurate, except that brokers try to avoid such flowery language.

All this gave the market new heart, even though it is perfectly obvious that the consumer price index's pause will be short-lived. The flatness in July was due to only one thing: the drop in housing costs in mid-summer. Meanwhile, sharp increases in food and other wholesale prices will feed into the CPI over the next couple of months.

Now did the week's events shed much light on how the Fed views developments. The central bank did little or nothing to show its hand, though the market took some comfort from the fact that it did not actually intervene to push interest rates up, as it might have been expected to in the wake of the money supply surge. The posture of the Fed in coming weeks could be crucial to the rate of the recovery.

But though the immediate outlook is hard to read, a couple of technical points could help the market. Short interest is still very high, meaning that traders will have to cover their positions if the market holds and this will push demand up. There has also, finally, been a reversal in the phenomenal growth of the money market funds in the last few days, suggesting that investors have begun to look for new havens for their funds.

The only problem for the stock market is that they may decide to take advantage of the current weakness of the bond market to lock into attractive yields there rather than buy shares.

MONDAY 948.63 -18.09
TUESDAY 939.85 -8.78
WEDNESDAY 945.31 +5.46
THURSDAY 955.03 +9.72

On a very much larger scale, Shell came through with a rise in second quarter net income from £37.3m to £44.0m after adjustments for stock and currency items. This performance was no small feat in the face of a drop in world demand of around 5 per cent and a creeping surplus of oil supplies. Although there were losses in parts of the chemical business, Shell was able to hold margins for refined products.

Oceans away

For all the misery the shipping industry is supposed to be suffering, Ocean Transport produced very buoyant interim results during the week thanks largely to the reopening of the Nigerian economy.

Much of Ocean's liner trade is tied to the two major OPEC areas of Nigeria and the Gulf. Thus the recovery of the West African business was mostly responsible for a £10.1m pre-tax profit advance to £16.7m. Ocean now thinks it can hold that level of profit in the second half.

Other principal recovery factors were the buoyancy of the dry cargo markets and the fact that many ships were fixed at quite attractive terms before freight rates began to drop.

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Even so, the dividend yield

is reasonably attractive at over 9 per cent

The sell-off spilled over into

Tuesday, pulling the Dow down

a total 26 points in only two

days. Its worst fall since the

Administration announced its

tough anti-inflation package

back in March.

The market was probably ripe

for a "technical correction" but

its fears were sharpened by

Chase Manhattan's decision on

Tuesday to push its prime rate

up from 11 per cent to 11½ per

cent, the first real upward move

since the prime came off its

20 per cent peak in April.

Although this should have come

as no surprise to anyone who

had witnessed the upward trend

in short-term rates in the past

few weeks, it still had headline

grabbing impact.

At the same time, several

banks and loan institutions

pushed their mortgage rates

into the 13 per cent range, up

from the 11-12 per cent low

earlier this summer. This could

easily abort the recovery in the

housing industry which is one

of the bright spots on the

horizon.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

An established use

In 1964, I obtained official permission for a caravan site on the grounds of my usage, without any time limit. In 1973, the caravan was removed and the site has stood empty since then. Is there any chance that the licence or planning permission may lapse owing to non-use since 1973?

No, you have an established use. You should, however, preserve your certificate or other acknowledgement from the planning authority that you have the established use.

Survivorship and an estate

Referring to your reply under "Survivorship and an estate" (July 7), we were told when we bought our first house in joint names that the house would automatically become the property of the survivor. The same solicitor acted for us when we bought this house so I assume the same conditions apply.

Most of our shares are in joint names. Do these automatically become the property of the survivor? One of these shares was listed and comes addressed to XY and one other. What happens in this case?

Is there anything we can do to ensure that survivorship will operate?

Joint ownership involves the principle of survivorship whether in respect of real property (land) or personal property such as shares or bank accounts. In both cases the survivor takes all the property automatically. The reference to yourself and another on a share register merely means that the company's articles provide for the first named shareholder to exercise rights such as voting, and the company is therefore not concerned with the identity of the other joint shareholder. You seem to have adopted appropriate means to ensure that survivorship will operate.

A difficult executor

As an executor of my father's estate, I am concerned that my father may not have received the full value for assets he is supposed to have disposed of during the last few years of his life, and that the papers filed for Probate may not be correct. In help me, in my enquiries I wish to inspect my father's bank statements for the seven years preceding his death. One of my co-executors has joined me in asking my father's bank to release copies of his statements, but we are being opposed by the third executor.

Although Probate was granted to all three executors, the bank (at Head Office level) refuses to release the statements except at the joint request of all three executors.

Could I please have your comments and suggestions as to my best course of action? If I have evidence suggesting fraud, but lack positive proof, and report the matter to the Police and their

URANIUM IN AUSTRALIA

Map showing the locations of uranium deposits in Australia.

Major deposits are located in Western Australia, South Australia, and Queensland.

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Estimated reserves are shown for each state.

Estimated reserves are shown for each state.</

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PROPERTY

A small slice of the mansion

BY JUNE FIELD

WHAT IS it that attracts people to live in part of a converted period property when for much the same money they could buy a purpose-built apartment or even perhaps a brand new house?

A. E. Houseman's plea to "give me a land of boughs in leat, a land of trees that stand," would seem to sum up some of the appeal, as well as the idea of living in something a little less box-like than the average traditional block of flats or housing estate.

Helping to preserve the heritage could be another reason, although not all the old buildings being refurbished or reconstructed are listed as architectural or historic interest. For example, Wexham Place, less than an hour's drive from central London, near Gerrards Cross, Buckinghamshire, was just a rather ordinary chunky mid-Victorian verandahed villa empty for over a decade and nearly derelict, when Chaldonbury Properties took it on.

But the house, on the edge of Fulmer village, was owned in 1905 by Mr. Henry Wilding, a stockbroker whose hobby was growing rhododendrons and azaleas. He was renowned for his collection, and the 18-acre grounds with their wooded parkland, tree-lined drive, sweeping lawns and colourful flower-beds are still intact.

"We feel the attraction of being within easy reach of London combined with having, as part of one's own private estate, three miles of hidden walks almost outside one's own front door, will be a major selling point," declared Mr. Richard Maynard, a Chaldonbury director, announcing the first phase of the transformation of Wexham Place into six good-sized apartments.

There are also four "town" houses, two each in built-on wings, one each side of the original residence, effectively matched in style and finish.

Architects Edward J. Payne and Associates have also

managed to retain or match in most of the fine cornicing, mouldings, paneling, fireplaces and sash windows, where even the original brass sash-pulls have been kept and re-polished.

The price for a 99-year lease of

a two-bedroom, two-bathroom apartment (some with a bidet), complete with a range of fitted cupboards, the latest kitchen units, cooker, extractor hood, waste disposal and so on, is from £56,000, to around £75,000 for one of the houses, including a garage.

Maintenance of what is now

quite a large country mansion

and its grounds, is estimated at

between £250 and £300 a year,

plus £100 ground rent, which

rises to £150 after 33 years, £200

after 66 years.

Two years ago Chaldonbury

successfully converted a listed

Grade II building, Coleshill

House, Coleshill, near Amer-

sham, into eight units, and one

could get some idea from this

part

of

the

management

company,

of which each purchaser

becomes a shareholder.

Details of Wexham Place

from Mr. Maynard, Chal-

donbury Properties, Salis-

bury Chambers, Oak End Way,

Gerrards Cross, Bucks. (49

85366), or the agent, Mr. John

Green, A. C. Frost and Com-

pany, Estate House, Packhorse

Road, Gerrard's Cross (49

86611).

Lees Court, Sheldwich Lees,

near the village of Faversham,

Kent, three miles from the M2

motorway, has a long and

renowned history of ownership,

even if its architectural design

is somewhat shrouded in

mystery. This "listed" mansion

is said to have originally

belonged to the At Lees family

during Edward I's time. A sub-

stantial

portion

was knocked

down

and the house rebuilt in

1652, the front facade attributed

to a design of Inigo Jones (who

actually died that year), the

interior the work of his son

in-law and pupil John Webb.

In 1810 after a fire, much of

Lees Court was rebuilt, follow-

ing

the

previous

style, but with the main entrance moved from

the south to the east side.

The formal gardens were

designed by Thomas Mawson,

who made a particular feature

of the sunken south terrace and

the avenues of pollarded limes.

The dairy, estate and carriage

houses, designed about 1788 by

Sir John Soane, architect of the

original Bank of England, were

recently converted into 12

houses, all of which are sold

and occupied.

Now the mansion in its 15

acres of rolling park and farm

land, once the home of the Earl

of Faversham, has been made

into 16 stylish apartments by

architect John Tilley Associates,

with a heated swimming pool

and hard tennis court tucked

away beyond the ornated

gardens.

The cost of the two and three

bedroom apartments (1,000 to

1,700 sq ft), is from £30,000 to

£58,000 for a 150-year lease, and

selling rapidly. Estimated main

tenance charge is £240 plus

£150 a year ground rent.

Illustrated brochure of what

is still available from Mr.

Philip Bush, Hunter Investment

and Marketing Consultants, who

is living at Lees Court, but does

not

allow

people to make an appoint-

ment to view — telephone 079

582 51167.

Contact Mr. Ashley, Latch-

more Properties, 112 Richmond

Hill, Richmond, Surrey (01-848

5821), to find out what is still

available, and news of future

projects. He is actively seeking

derelict

properties warranting

complete modernisation, conver-

sion or investment, and small

residential sites in the better

areas of South West London

and Surrey.

Although Richmond Park

is all nearby, and Central

LEISURE

A fine year for the popular fuchsia

GARDENING

ARTHUR HELLYER

THE FUCHSIA has enjoyed a remarkable surge in popularity in recent years—not so much as a nearly-hardy outdoor shrub as for its value as an easily managed pot plant flowering non-stop from May to October without making any expensive demands on fuel in winter.

In fact, fuchsias are grown "cold," i.e. without any artificial heat at any time, but then they lose all their leaves by December, become almost completely dormant and take a little time to get into their stride again in the spring.

For the best results, or at any rate for the longest possible flowering season, it is necessary to keep the plant flowing all the year, even if only very gently in winter, and that means maintaining a temperature of 10 degrees C or a little more

most of the time with an absolute minimum of 7 degrees C.

With a small greenhouse placed in a sheltered position, maybe against the dwelling house, and insulated inside with some plastic quilting in winter, this need not be expensive even in these high energy cost days.

The summer fuchsia show in London has become one of the major events in the exhibitor's calendar, half filling the big Royal Horticultural Society hall and adding greatly to the interest of the early August meeting.

What I find particularly interesting is the proliferation of new varieties in spite of the fact that specialist fuchsia nurseries appear to have declined in number. It would seem that amateurs have taken over most of the breeding, as they have that of many other flowers, and some may even have become semi-professional in the sense that they are glad to sell a few of their introductions without actually making a taxable business out of it.

It could not honestly be said

that they have produced anything startlingly novel but that has been true for the past 30 years or more. The fuchsia was one of those flowers which progressed rapidly, and the necessary wild species were available so that, from the beginning made at about the time Queen Victoria came to the throne, almost every possible "improvement" had been achieved by the time of her death.

After that it was more a matter of re-assessing existing characteristics than of making any notable advances, a stalemate, one must admit, that has also hampered the progress of most of the other popular "florist" flowers though their devotees would hotly deny this. What struck me most about the fuchsias at this year's London show was the quantity of flower they were carrying.

The plant which won the special award as runner up to the best in show was small flowered, a variety named Nellie Nuttall with narrow, cherry red sepals around a white corolla or "skirt." I cannot find it listed in any catalogue, though

large flowers in fuchsias have rarely been allied to good flower production.

Monsters like Texas Longhorn and Sophisticated Lady may be eye-poppers as individual blooms but they never make the mass display of more normal size varieties. It is the very small flowered kinds that cover themselves most completely and there were a lot of these about including Estelle Marie, a little beauty new to me. It has tiny greenish white and cattleya mauve flowers held out horizontally half way towards the upward facing staves of Bon Accorde. Another of similar type was Lady Isobel Barnett, a rose and pale mauve fuchsia which almost certainly has Bon Accorde in its ancestry. I suspect that several breeders must have been using this old and very distinctive variety.

The plant which won the special award as runner up to the best in show was small flowered, a variety named Nellie Nuttall with narrow, cherry red sepals around a white corolla or "skirt." I cannot find it listed in any catalogue, though

I feel sure it must be available somewhere.

There is certainly no difficulty about buying the fuchsia that was judged best in show, Celia Smedley, a big, bold flower with pink sepals and cherry red skirt.

I doubt that it would be possible to produce a fuchsia with more flowers than some of the plants of Paquesa I saw. This is another variety new to me. A charming thing with small sealine wax red and white flowers on a dense bush which one catalogue describes as "self branching" whatever that may mean. It is certainly compact and short jointed and should be well nigh unbeatable as a small pot plant to keep the conservatory or window ledge bright all summer.

These are dimensions large enough for any fuchsia hardy or tender. The odd thing is that I have only once come across this variety in a catalogue and very few people seem to know it, yet it is very old, raised, according to one authority, in 1965 by a man named Bull. It is also hardy, vigorous and free flowering. It ought to be as popular as the somewhat overrated Mrs. Popple.

There does not seem to be so much haphazard in the hardy fuchsia section though that may simply be because hardy fuchsias are grown in the open ground and this is a pot plant show. Certainly I know one keen amateur who is busily breeding hardy fuchsias with the aim of giving them larger



Fuchsias

rather magenta shades characteristic of many fuchsias and towards much yellower reds and pinks.

Coachman himself has rosy salmon sepals and an orange vermillion corolla and this unusual colouring has been obtained with no loss of vigour.

It is, in fact, a variety sturdy enough to be grown outdoors in places where the winters are not too extreme as I have proved myself for many years.



The V8 Land Rover estate car.

Trial by mud bath

MOTORING

STUART MARSHALL

THE MUD was glutinous and evil smelling. As we hucked and reared along a slime-covered switchback of a track, the dense foliage kept closing in, blotting out the view ahead. Inside the Land-Rover, it was as hot and sticky as a Turkish bath. The only things lacking in the forest were screaming monkeys and poisonous snakes—but then, we were in Herefordshire, not Honduras.

Eastnor Castle estate is but a few minutes drive from the old-world charm of Ledbury, but when you plunge into its dark interior, you could be miles from civilisation. Last week's high temperatures and humidity completed the illusion.

British Leyland's Land-Rover people have used Eastnor Castle for some years for development and proving trials. Their drivers swear that conditions are as tough as in any tropical forest. Even the Darien Gap, a central American morass crossed by vehicles (Land-Rovers and Range Rovers, naturally) for the first time in the 1970s is no worse, they say.

The Land-Rover we were riding in was the long-wheelbase estate car powered by the Range Rover's 3-litre V8 engine, unveiled a year ago but for export only until today. It replaces the old six-cylinder, which used a detuned version of the late 1950s Rover 3-litre saloon's engine, and has the Range Rover's power train with permanent four-wheel drive.

Its main advantage over the four-cylinder long-wheelbase Land-Rover, which is still available, is low speed flexibility. At little more than tick over speed the V8 heaved the heavily laden estate car up seemingly impossible gradients, pulling in low range second, sometimes even third gear. On the road, it was considerably livelier than the four-cylinder, with fairly urgent acceleration for a working vehicle. The ride is truck like and the steering heavy. You see the best side of the Land-Rover V8 when the going is really awful. A ride deep in sand or mud, its fuel consumption is said to be much less than that of the four-cylinder.

Nostalgia corner

YESTERDAY, the finest collection of historic British cars opened at Syon Park, near Brentford, where British Leyland's BL Heritage subsidiary have transferred their £2m display. About 100 of the total stock of 250 cars will be in show at any one time. They range from a 1895 Wolseley tricycle, just restored to mechanical health and due to be entered in this year's Brighton veteran car run to the mid-engined Rover P6BS sports car of 1967 that, sadly, never went into production.

There is nothing static about the display, which BL Heritage have moved from Donington, in the Midlands. It will con-

Pink granite, blue sea

TRAVEL

PAUL MARTIN

WE AT home were certainly not alone in experiencing a wet summer. Even the normally sunny and stable Mediterranean shared the same weather.

But after leaving behind the leaden skies of northern Europe, I flew to Corsica early in July in an optimistic mood.

As the skies cleared over Nice all promised well. The approach, past the densely wooded mountainous slopes and rocks which seemed to drop sheer into the sea, and the descent to Ajaccio, were spectacular.

Corsica is an island of dramatic beauty. The twisting and breathtakingly beautiful, particularly in the first flush of morning or at sunset. The road then twists and turns its way before you cross a narrow bridge and arrive in the little resort of Porto.

Porto is divided into three separate sections. The inland village, about ten minutes walk from the sea, has its quota of supermarkets, souvenir shops and banks open three days a week.

Then, almost a folly in an island where the road builders have achieved engineering miracles in linking together the scattered centres of population, a stretch of dual carriageway leads down to the sea wall and a pleasant rocky bay.

Porto has no real harbour, but you can hire a pedalo or a motor-boat on the beach area. A rainbow-shaped footbridge, spanning the river running down from the mountainous interior, provides easy access.

As you reach the final panoramic stretch of the main road from Ajaccio, there is also a temptation to let your eyes wander. After climbing up to 1,400 ft at Piana, the whole landscape suddenly changes as you move into the majestic world of Les Calanques.

The shingle beach is patrolled by a lifeguard hut, even so, I would not recommend Porto for those with young children.

As in mainland France, le

A day chasing the elusive rainbow

FISHING

JOHN CHERRINGTON

AS I forecast some time ago, the excellent Mayfly hatch on the Test this year made for a very poor July. Or at least that was my experience, and that of those I met in the pub.

There were rumours of exciting evenings but whenever I stayed late the river, after a blank day, began to show little wisps of mist at 9 pm which in my experience invariably mean that there will be no rise that evening.

This did not matter so much a few years ago. The amount fed was limited, and the few monsters in the pool devoured it all and little drifted downstream.

But on this particular evening enough bread came floating down the river to feed a large proportion of the world's starving millions. And not just bread. Pieces of toast, buns etc, which they had not even bothered to break up.

The quantities were such that most of the fish in the river, that most of the fish in the pool, had eaten as it did the. Fishing was hopeless. Flies were disregarded in a mad rush for carbohydrate.

The interesting thing was that the river below this was absolutely dead. The surplus bread floated away downstream, untouched by any fish at all, nor did there seem to be any interesting fish in the lower beat either.

Not that I didn't try hard on both days. Nymph fishing is allowed and I tried a variety but lacked the only one which might have suited, a Blue Grayling. This looks just like a fish pellet.

If I had whitewashed one, I might just have deceived a fish into thinking that the bread was being delivered in handy mouthfuls.

This experience has made me wonder how it would be possible ethically to catch fish in these circumstances. One could not, of course, use bread oneself. After all rules of sport demand to be kept in sport.

But would there be anything against making an imitation bread crust, floating of course? There is a practical difficulty, as I believe one of the attractions of bread is that, like fish pellets it has a smell which is recognised by the fish. So one would have to synthesise that as well. Or would that be cheating?

pleasant balconies overlooking the beach or the distant hills. While they all have private facilities, they are somewhat sparsely furnished. The thinking is that few people are going to spend much time in the hotel.

Breakfast is basic French and, while there is no choice, I found the five-course dinner, served out on the terrace, varied and imaginative. The bar tended to shut early but most people seemed to congregate at one of the beach cafes for a coffee or a nightcap.

A 14-day holiday, costing £310, comes down to £289 towards the end of September. It includes British Caledonian Gatwick-Ajaccio charter flights, transfers and half-board.

Falcon also uses the Hotel Cyrnos at Sagone, roughly half-way between Porto and Ajaccio. Here again all rooms have private facilities and there is a choice of either full or half-board.

The hotel is built right on a clean, safe and sandy beach and, while Sagone has not the natural beauty of Porto, it makes an ideal base for a family seaside holiday. A fortnight's full-board arrangement here is quoted at £345 reducing to £308 for a later September departure. A four-course dinner, with a choice of dishes, is served.

Falcon also operates Flotilla Holidays, cruising around the lovely Corsican coast and crossing the straits of Bonifacio to visit resorts in northern Sardinia and the Costa Smeralda.

While I have some reservations about the beach at Porto, do hire a car for at least a day and go up to the little hill town of Evisa. After driving down the Spelunca Gorge, with the air heavy with the blended scent of eucalyptus and pine, leave the car and climb up to the old watch tower in Porto.

From this natural grandstand you can watch the sun as it sets over the blue sea and flashes the jagged rocks of Les Calanques in a warm shade of pink.

ADDRESSES: Falcon Leisure Group, 260a Fulham Road, London SW10; NEL French Government Tourist Office, 178 Piccadilly, London W1V 0AA.



Corsica

An over-crowded weekend in Ohio

GOLF

BEN WRIGHT

TOM WATSON is absolutely right. The World Series of Golf being played at Akron, Ohio, over the renowned south course at Firestone Country Club this weekend is far too overcrowded to really live up to its name. If this pronouncement seems a little strange since only 31 professionals and one amateur, the U.S. champion Mark O'Meara, are competing, and the princely sum of \$421,000 is at stake with \$100,000 going to the winner. I shall let Watson explain.

This did not matter so much a few years ago. The amount fed was limited, and the few monsters in the pool devoured it all and little drifted downstream.

But on this particular evening enough bread came floating down the river to feed a large proportion of the world's starving millions. And not just bread. Pieces of toast, buns etc, which they had not even bothered to break up.

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But would there be anything against making an imitation bread crust, floating of course? There is a practical difficulty, as I believe one of the attractions of bread is that, like fish pellets it has a smell which is recognised by the fish. So one would have to synthesise that as well. Or would that be cheating?

That would quickly take care of O'Meara, who scored 75 in

yesterday's first round, while British Amateur champion Duncan Evans is unfortunately absent. Stewart Gina (Australia) 71 and Denis Watson (South Africa) 74, Lu Hsi-Chuen (Taiwan), Mr. Lu's nephew and the Asian Order of Merit leader is another absentee.

Ken Brown, who scored a respectable 73 to the 72 of the European Order of Merit leader Sandy Lyle, also wouldn't have been here. Seve Ballesteros, who had dual qualification for the event by being U.S. Masters champion and second in the European Order of Merit, chose for the second year running not to play here, again preferring to concentrate on improving his position in the latter by playing in the German Open. With so much appearance money at stake, next season, one can hardly blame him.

Watson's plan would have kept Norio Suzuki (70) and Masaji Kusakabe (77) home in Japan, Buddy Whitten (81), the worst scorer by four shots back in his club's shop selling golf balls and Irwin (88), the low individual scorer in the World Cup, fuming with frustration at not being able to compete. Lee Trevino (69) the tournament player's champion would have beaten Watson's ban as a multiple winner here because he also won in Memphis and that is a blessing since he is the game's premier—I almost said only—entertainer. Bob Gilder (69), the Canadian Open champion Scott Simpson (70) the Western winner would have been excluded, however, as would Larry Nelson (67), Ray Floyd (68), George Burns (71), Bruce Lietzke (71), Andy Bean (73), John Mahaffey (74) and Jim Colbert (77) who have only already qualified by means of the mostly ignored U.S. PGA Tour Winter, Spring and Summer points tables.

As he told me: "If this event is going to be the true world championship to end the season, as it presumably intended to be, players who have not won here during that year, have no right to be playing." Watson is referring, among others, to several of the top 15 players on the American money list. All of them get into the event automatically if they have not already qualified by means of the mostly ignored U.S. PGA Tour Winter, Spring and Summer points tables.

So, who would play if Watson gets his way? Tom told me he would have private talks with players and officials of both the sponsors and the PGA of America, on the subject.

Mike Reid and Jerry Pate would not be playing here this year. Nor would the U.S. and British Amateur champions, the second-placed finishers in the Australian, Asian and South African Order of Merit tables, the second and third-placed finishers in the European and Japanese standings.

Watson, the winner of the U.S. PGA National "Club Professionals" championship, the low individual scorer in the World Cup and the winners in North America of the Tournament Players' Championship and the Canadian and Western Open.

But would there be anything against making an imitation bread crust, floating of course? There is a practical difficulty, as I believe one of the attractions of bread is that, like fish pellets it has a smell which is recognised by the fish. So one would have to synthesise that as well. Or would that be cheating?

That would quickly take care of O'Meara, who scored 75 in

out from 132 yards with his nine iron. This helped him to keep in touch and improve the best half score of the trio to 59. Watson made his first birdie from a greenside bunker with a 10 foot putt at the par five second hole but immediately dropped a shot at the third when a lump of mud the size of his ball was stuck to it and was missed the green badly.

But on the easy paced greens it was plain sailing for him after that. Birdies at the 6th, 7th and 8th holes were earned by putts of 45, 12 and 20 feet for an outward half

BOOKS

The red and the black

BY PETER QUENNELL

Stendhal: A Biography
by Robert Alter, in collaboration with Carol Cosman, Allen and Unwin, £8.95, 285 pages

Monsieur had not the manners of a gentleman, once complained Jacob, a Swiss servant employed by James Boswell. His heart was too open; and he tormented his unfortunate domestic by perpetually asking questions: "il voudrait savoir tout ou froid . . ." As I read this new biography of Stendhal, it occurred to me that there was often a strange resemblance between Boswell and Professor Alter's hero. Both had an insatiable thirst for knowledge, and were perfectly prepared to throw overboard every social or moral convention that might have hindered their researches. Both were engaged in the headlong pursuit of happiness, which Stendhal called "la chasse au bonheur." Both adored women, worshipped feminine beauty and, conscious of themselves of being rather plain and awkward, planned their campaign against the opposite sex with Napoleonic fire and energy. Boswell described his conquests at meticulous length in the pages of his journal. Stendhal (christened Marie-Henri Beyle) recorded them wherever he could make room — on the margins of his books and manuscripts, even on the glass of his watch, his braces and his bed-room-slippers.

Neither of them managed to realise his genius during his difficult and wayward youth. *The Life of Johnson* did not finally appear until its author had passed the age of 50; Beyle, born at Grenoble in 1783, published *Le Rouge et le Noir* in 1831 and *La Chartreuse de Parme* in 1839, when it was acclaimed by Balzac as a "masterpiece of the literature of ideas . . . the novel that Machiavelli would have written had he lived . . . in the 19th century." Although Beyle (now rechristened Stendhal, for reasons unknown, after an obscure middle-European town) had always expected to "dine late" among "the happy few," and to achieve popular recognition sometime about 1830 or, possibly, 1835, he found the great man's praise uplifting. But, by that time, he had abandoned many of his previous ambitions, and settled down as French consul at Civitavecchia, a dreary Italian seaport.

Yet he refused to despair. "My own soul," he wrote from his gloomy consulate, "is a fire that suffers if it does not blaze. I need three or four cubic feet of new ideas a day, as a steam boat needs coal;" and his pursuit of knowledge and human happiness scarcely slackened until the day he died. In each of his two most celebrated novels he depicted a similarly questing spirit. Stendhal belonged to the Romantic Age; but with the romanticism of the early 19th century he combined the enquiring scepticism of the 18th-century philosophes. His descriptions of his main characters show an almost clinical detachment; and, however wild the action of the story and holdy picturesques its background, he continued to delve

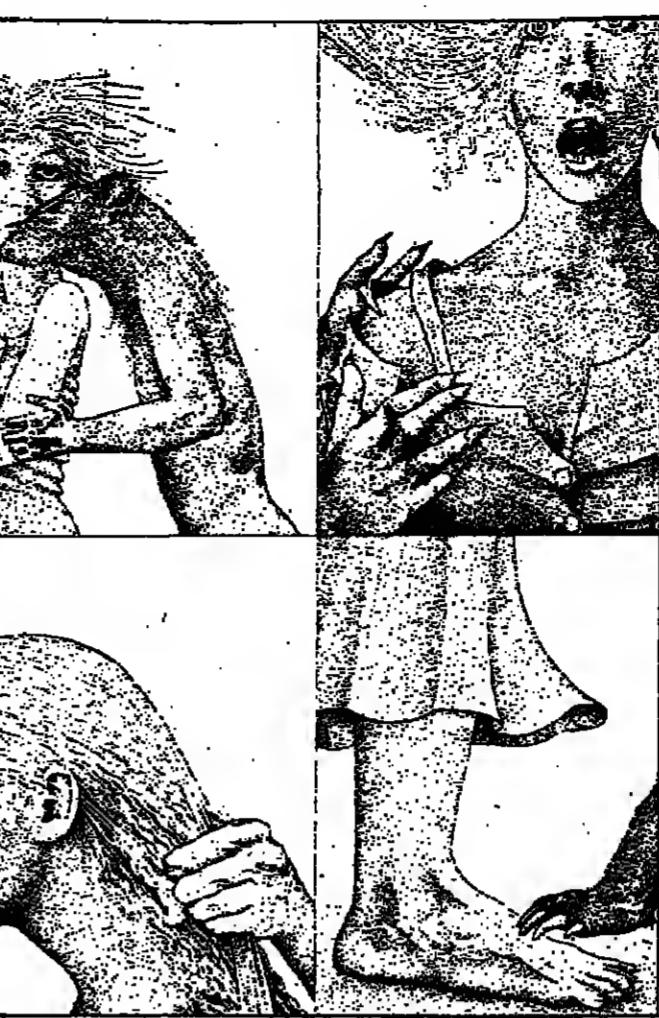
into the working of his protagonists' minds, and seek to discover the secret "fond des choses" in any given situation.

Stendhal, of course, was by no means an accomplished stylist. Frequently he wrote at break-neck speed; the composition of *La Chartreuse de Parme*, for example, took him less than two months. A novelist's style, he insisted, should, above all else, be vivid and distinct. For those of us who are not devoted Stendhalians his method has its disadvantages. He is constantly repeating words; the expression *ventre à ferme* recurs again and again throughout his famous account of the Battle of Waterloo. His narrative flow, as he admitted, is very often somewhat "choppy"; and from a long passage of reflections and cogitations he will abruptly and unexpectedly revert to brisk, straightforward story-telling, perhaps because he felt that the moment had come to revive the reader's interest.

Robert Alter is Professor of Comparative Literature at the University of California; and, despite some lapses into the kind of academic jargon that sounds far better in the lecture than it looks upon the printed page, he has produced an exceedingly enjoyable volume. Stendhal, he reminds us, played a small but significant part in the tremendous drama of Napoleon's reign. As a courier carrying dispatches, he had followed the Emperor to Russia; and, when a general retreat was ordered, he accompanied the Grande Armée, but hacked back to observe the destruction of Moscow. "We left the city," he wrote, "which was lit

by the loveliest conflagration in the world, forming an immense pyramid that was like the prayers of the faithful, the base on the earth and the apex in the heavens." Twelve years earlier, thanks to the good offices of his cousin, the influential bureaucrat Pierre Daru, he had joined a dashing cavalry regiment, though he had not yet learned to ride. The horrors of the Russian retreat soon convinced him that he must give up all his military dreams.

In the consular service he certainly did his best; but, whenever he could, he granted himself leave and set off for an extended holiday. Only the warm affection he aroused seems to have saved him from dismissal. Everyone was fond of Stendhal: "the happy few" had already gathered round him; and it is clear that he possessed abundant charm. Among his women friends, during the latter part of his life, was a Spanish lady, the Countess de Montijo, whose two young daughters, Faca and Eugenie, also eagerly awaited the visits of this stout, florid, smartly dressed gentleman. On his arrival, they were allowed to sit up late; seated in an armchair beside the fire he would tell them marvellous tales of the triumphs of the Grande Armée, and of the rise and fall of the Emperor himself. They did not suspect that their mother's visitor was a distinguished modern novelist; nor could the beautiful Eugenie have ever divined that she would one day become the resplendent consort of Napoleon III and the Empress of the French.



An etching by Martin Ware for "Goblin Market" reviewed below

Fiction

Veterans come back

BY MARTIN SEYMOUR-SMITH

Solomons Seal
by Hammond Innes. Collins, £6.50. 320 pages

The Blaze of Noon
by Rayner Heppenstall. Allison and Busby, £6.50. 166 pages

A Diver in China Seas:
Stories by Fred Urquhart. Quartet, £6.50. 214 pages

Nearing's Grace
by Scott Sommer. Peter Owen, £6.25. 175 pages

"French": the same genius is present, but transformed.

Above all, though, *The Blaze of Noon* makes almost everything that has been written in English about "sex" since the last war look faintly absurd. By enjoying and savouring this classic, you can find your way into the later novels, which are not more rewarding but which say much more. If there is very little written about this author, then it is certainly scandalous; but it must be admitted that his work speaks for itself.

The 1930s were the great period of the British short story, but not too many of the chief practitioners are still there. H. E. Bates, Rhys Davies, A. E. Coppard — all these and others have gone. The stories of such as Robert Westerby (*Wide Boys Never Work*) and H. A. Mansfield, not in the top flight, seem pretty good in the light of most of its first publication (1939), a collection of stories from the pen of Fred Urquhart, an old master who has been too easily forgotten, and a promising novel from an American of under 30. A heartening batch of books. Let us take the most direct, the least literary, first.

Hammond Innes' adventure thrillers have the virtues of being carefully plotted, well informed (his backgrounds are far better researched than those of Ian Fleming, a flashy purveyor of soft porn by comparison), often frightening, and unpretentious. His characterization is nothing at all to write home about, but it is not mushy or absurd — he has brought it to a level of adequacy that is lacking in more unashamedly fantastic adventure thrillers.

Innes' speciality is the sea, and he knows a great deal about it; his sea thrillers are probably among the most popular of his books (though the conservationist *The Big Footprints* pleased many), and so his readers will be delighted to know that *Solomons Seal* concerns not only a priceless stamp but also trading in the South West Pacific. Other ingredients are sorcery, an island on the brink of revolution, and the disturbing beauty of a woman who has the power to send a man into the unknown . . . All this is presented with much more conviction than any summary can suggest, owing to the author's impeccable research.

The reprint of Rayner Heppenstall's first novel, a lyrical celebration of physical love described by a blind man, maeusore, stands a very good chance of creating a new interest in the man. C. P. Snow called "the master centaur of English letters." It makes a good start to his work, because it is a simple and exquisite novel, written with great beauty and grace. The publishers are not wrong in describing it as a classic. Heppenstall writes in a short prefatory note that he was influenced by the early Henry de Montherlant — another great stylist, though of course in French — and this is perceptible; but in a way he is being too modest, for the prose of this novel is entirely English. Heppenstall is in fact the only English novelist who has managed to learn from the French novel without looking in some way artificial or absurd. Those who know the excellent journalism of Richard Cobb will be likely to appreciate it greatly. Heppenstall knows all that Cobb knows about France (and that is an enormous amount), but has been able to assimilate it. He does not have to be

The young American Scott Sommer has not yet reached the heights achieved in their very different ways by Hammond Innes or Urquhart, but he has written an interesting and authentic first novel, *Nearing's Grace*. At first glance its subject-matter is discouraging: an American family that has gone to pieces — drunken father, acid drop-out brother (who camps in the garden), and a self-consciously ironic hero, Henry Nearing, who tells his own story. But this is to a rather nicely indeterminate degree, a parody of the fashionably hip novel. The sections dealing with drugs are deliberately sharp and unpleasant: the rest seems — to me at least — to question the values and the status of deliberately mindless absurdity. The world may on the whole deserve its children to "grow up absurd" (Paul Goodman's phrase); but, as children might, this young man may be saying, give it back better.

All risks

BY JOHN MOORE

Cuthbert Heath: Maker of the Modern Lloyd's of London
by Antony Brown, David and Charles, £6.95. 220 pages

As an insurance market Lloyd's of London is regarded by most casual observers of the City as a place which will insure all manner of risks, from actresses' legs to space satellites, from oil rigs to motor cars. In insurance circles, Lloyd's has a reputation for encouraging innovation and jealousy guarding its freedom of enterprise.

Lloyd's influential position as a much-respected centre of international insurance owes much to the work of Cuthbert Heath, an underwriting member who joined the market in 1880.

When Heath joined the market Lloyd's was at a low ebb. Insurance companies, which had been newly formed, were making their presence felt in Lloyd's traditional, and then virtually only class of business — marine insurance.

Lloyd's had lost its zest for pioneering, and there was a lack of enterprise and response to new demands, the "essence of insurance."

It was in this cautious and inert market that Cuthbert Heath showed his skills. He began to develop the still embryonic fire insurance market, instituting a policy for loss of profits for businessmen who had suffered a fire loss.

He pioneered burglary insurance and created an all-risks policy for jewellery.

He established the modern methods of arranging reinsurance, saw the significance of the U.S. insurance market as an important producer of general insurance business, and is

credited with pioneering Lloyd's non-marine market.

The non-marine market, which handles all types of general insurance, now produces nearly half the total Lloyd's premium of £1.7bn, but significantly, and no fault of Cuthbert Heath, it is the least profitable main market, accounting for just over a tenth of profits of £123m.

The history of Heath was initially proposed as a project by the present chairman of the C. E. Heath broking company to mark the centenary of the founder's entry into Lloyd's.

Generously illustrated, although some of the visual material is of questionable relevance to the text, Mr. Brown's book is a social history of the Heath family, Cuthbert himself, and aspects of his work in Lloyd's. For good measure it throws in a chapter on the broking company, C. E. Heath from 1939, to the year of Heath's death, to the present day.

As in his history of Lloyd's, Hazard Unlimited, Mr. Brown has peppered his latest insurance book with numerous anecdotes in a conversational tone. While these may make the content more accessible for the non-insurance reader, they do not always illuminate.

For instance, how helpful is the observation on the famous Open portrait of Heath that there was "a slight bulge above his eyebrows, which suggested intellectual power: it was sufficiently marked to be known in the Heath family as the parental bump."

But this is a charming book, designed to charm rather than analyse in depth. As such it is a competent, if somewhat rambling official history of how Cuthbert Heath made his mark at Lloyd's.

SF

BY RAY LARSEN

Cowboy Heaven by Ron Goulart. Robert Hale, £5.25. 185 pages

The Number of the Beast by Robert A. Heinlein. New English Library, £5.95. 558 pages

Heinlein has been a dominant and controversial figure in science fiction for the past four decades. His didactic approach and enthusiastic espousal of the American way of life have alienated some readers and earned uncritical admiration from others.

In his latest epic a wayward genius discovers a means of travel between alternative universes. He and his party land in a series of bizarre situations including a Meridian peacock colony and a world where homicidal Russians are on the loose.

In line with current fashion, the bard science is given a veneer of mysticism. The space-time barrier is breached by the use of coordinates based on the figure 666, the number associated with the Biblical beast of Revelations.

Unfortunately the robot displays all the hell-raising characteristics of the original with the added complication of sudden relapses when he thinks he is George Salimbury, the famous literary critic. People are understandably suspicious when he gives a dissertation on the contemporary novel in the middle of a bar room brawl. In the best tradition of the Western film there is a happy ending with the android riding off into the sunset.

Composer's jottings

BY WILLIAM WEAVER

The Diary of Richard Wagner: The Brown Book 1865-1882
presented and annotated by Joachim Bergfeld, translated by George Bird. Gollancz, £9.95, 218 pages

Sometime in mid-1864, when Wagner settled in Munich, Cosima — still married to Hans von Bülow, but already committed to Richard — gave the composer a cast-off blank diary, in which he was to record his thoughts when it was impossible for him to see or talk with

Wagner in 1881. This new volume is a faithful English translation of the Atlantis edition, with a few added notes by the translator.

Much of this material is fascinating, but much of it is also difficult to decipher, especially the Annals. As they often are, do give a sense of the sheer urgency of Wagner's life, as they also give further illustrations of the perverse aspects of his character (p. 97: "Opera House now burnt down. Strange feeling of comfort").

Wagner is, to be sure, not an easy writer, and translating his prose must be a tedious task. Still, the translator here usually stays too close to the German, making the English awkward. So either these Annals have

to be read with *Mein Leben* (or Newman) at hand, or they have to be annotated almost word by word. The notes, by Dr. Bergfeld and by the translator, are helpful, but insufficient. The Annals, however, cryptic as they often are, do give a sense of the sheer urgency of Wagner's life, as they also give further illustrations of the perverse aspects of his character (p. 97: "Opera House now burnt down. Strange feeling of comfort").

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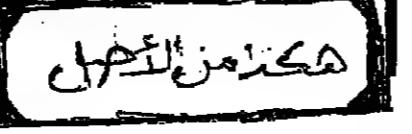
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ARTS

Salzburg Festival 1: Grand operas

BY DAVID MURRAY

Salzburg's charms never wear thin, but they are more and more densely enjoyed. The crowds that choke the Getreidegasse have been lured, perhaps, more by the Sound of Richard Rodgers Music than by Mozart's. Still, the Festival itself took the crucial expansive step 20 years ago with the opening of the Large Festspielhaus for Herbert von Karajan. Its 3,731 seats—top price £67—require as many expensive bottoma, often on the same night as another performance in the Small Festspielhaus (1,343 seats); the town stretches hard (and not unprofitably) to accommodate them all. The larger stage is vast indeed, and superbly equipped—the new *Tales of Hoffmann*, rife with ingenious effects, could still drown a whole male chorus hydraulically through the floor at once. There, operas themselves must stretch to fill the place.

Les Contes d'Hoffmann, grand enough for that? Certainly Offenbach meant it to be (though he died before completing it, a century ago this October—hence its surprising choice as Festival-opener); certainly his admirers want it to be; and there it is at the Festspielhaus in Jean-Pierre Ponnelle's production, sumptuously dressed. (That goes for the audience, too, the like of which is never seen at Covent Garden—the townsfolk still gather nightly in considerable numbers to watch the nocks arrive.) Q.E.D. then?

The case remains tantalizingly open. Offenbach left a hotch-potch of finished numbers, sketched and contradictory in intentions, posthumously edited out with Ernest Guiraud's rectatives. Two years ago Fritz Oeser published a new critical edition, aiming heroically to re-create Hoffmann as Offenbach envisioned it. Oeser's product is itself controversial, however, for it presents a radically unfamiliar version of the Venetian act, drawing heavily upon the earlier Offenbach failure *Die Rheintöchter*. (From it came the famous Barcarolle, and it seems that Offenbach did intend to salvage more from his old



Antonia and Dr. Miracle in Tales of Hoffmann

score.) At Salzburg Ponnelle and the conductor James Levine have made cautiously selective use of Oeser's findings.

The whole opera is strengthened by the generous extension of the role of Nicklausse, Hoffmann's secret Muse. (Anne Howells looks dashing in breeches, and sings quite well.) She gains among other things a new Romanza in the Antonio act—now placed definitively before the Venetian act—and a share in an excellent trio with Hoffmann and Coppelius in the Olympia act. There are various improvements in the musical sequence and also some abreviations, not always happy.

The traditional preference for making Antonio the last of Hoffmann's three lost loves is explained by the emotional power of her music and her plight, after which the courtesan Giulietta's intrigue must seem an idle anecdote. Ponnelle transforms the Antonio act and its effect within the whole opera, by making it a Gothic horror-fantasy, not a Traviota-study: much lurid phantasmagoria, less pathos. Antonio is plainly possessed from the start, and the fatal trio brings a mad multiplication of ghostly Mothers and Dr. Miracle. All the staging gleams evilly with mirrors right up from the floor, which becomes a Venetian lagoon when the buildings of Hoffmann's Kleinstadt rise on piles and turn into *palazzi*. Sadly, the spectacle is let down again by the scrappy Venetian music. Oeser's reconstruction is not attempted; the routine septet (which may not be by Offenbach) is no counter-weight to Antipho's trio, and the sole gem is Dapertutto's "Scintille, diamant," delivered by José van Dam with the refined authority he brings to all the villains of the piece.

All the heroines are Edda, Moser (Christiane Eda-Pierre on some nights), whose crushed-soprano suffice, for Antonio and Giulietta but was impossible for the doll Olympia's twirrings: no bright spring, no "ping" at the top. She cuts a striking figure every

elements is astounding, and Schneider-Siemssen's acts are masterly. The monstrous temples of the first acts give way in the Nile scene to a vista of the great river and endless dusty hills, beyond which Aida looks longingly away to her Ethiopian forests. At the end, in the same locale seen from the side, she and Radames are immured in a tiny chamber which vanishes inch by inch beneath the sands, Amneris lamenting alone in the wastes above while a dying radiance flickers on the hills.

José Carreras is a Radames of sound conventional virtuosity, not more. Mirella Freni's Aida is persuasive and affecting, though the scale of the house forces her into perpetual full cry at some cost to subtlety of colour. Until "Ritorna vincitor," she moves always in the shadows and yet catches the eye, tremulous with anxiety and resentment. In the "closet scene," a vision of golden screens and languid maidens bathing, her confrontation with Amneris is sharply detailed; here Ruza Baldani's Princess comes into her own, rich in timbre and alert—a pity that in the trial scene later, Karajan's orchestra swallows her whole. (Otherwise Karajan is remarkably tender with his singers, though his slightly ponderous tempi leave no room for sudden surges of Italianate feeling.) Ruggero Raimondi lends his full black wealth to Ramfis. Piero Cappuccilli is a distinguished Amonasro, urgent and overbearing; he leads an exciting chase at the crisis of the scene.

The Triumph ceremony is embellished not only by Karajan's twelve—not six—very Teutonic trumpets (with little of the blantant swagger that Verdi surely expected), but by John Neumeier's fine choreography for the Egyptians—versus Philistines—charade, which makes perfect music-dramatic sense of Verdi's ballet music. The ballet-Egyptians in their silvery hoo-dy-pants are pointfully contrasted with the real Philistine prisoner, shivering and disoriented in their bonds. Neumeier has also invented a dance for bare-breasted acrobatic twins in the closet scene that answers beautifully to their fizzing music. In short, this is a magnificently prepared, Aida, one that in some ways sets new standards. But Salzburg has also Mozart, and the apparently immortal Karl Böhm.

Norman Shelley dies

The veteran radio actor Norman Shelley has died at the age of 77. Mr. Shelley, who was a mainstay of the BBC radio drama repertory company for

many years, played the role of Col. Danby in *The Archers*. He will be heard in several episodes already recorded due to be broadcast over the next week or so.

F.T. CROSSWORD PUZZLE No. 4,356

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

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COLLECTING

Grin of the China cat

BY JANET MARSH

SPORTINGLY AND seasonally, Sotheby's moves temporarily into Scotland about this time of the year—the chess room for the big London auction rooms for a series of sales of shooting, "shootin'" and fishing giant.

The sales begin this Monday at Glencairn Hotel with a sale of historical sporting items which include a varied collection of old golf balls. These are something new to me as a collector, though evidently they attract real enthusiasts: a rather shabby leather-covered and stitched Feathery ball is estimated to reach between £500 and £700; while a metal mould for making Gutty balls, dating from around 100 years ago, is

likely to reach £150-£200.

More frivolously the sale includes along with its cricketing, football and golfing memorabilia, a cheerful Louis Wain picture of a cat's tennis party.

Other sales in this series, which take place on Monday and Tuesday evenings, with breaks for dinner (they are very social events) include fishing tackle, modern sporting guns and a large collection of paintings and drawings of both sporting and Scottish interest.

On September 12, Sotheby's moves on to the Duke of Atholl's Blair Castle, for a special sale which it calls "In Celebration of Scotland". Here among items of such Scottish interest are bagpipes, sporran (of the Atholl

Highlanders and sold by the Duke himself, who is likely to get about £100 apiece for them) and ram's head snuff miffs, you ought buy a silver gilt table lamp in the form of the Glasgow City arms (estimate £750-£1,000) or a 171 oz Victorian silver centrepiece commemorating the glories of the Gordon Highlanders (estimate £2,000-£3,000).

More than two-thirds of the sale, however, is devoted to what must be the largest group of Wemyss Ware to come into the saleroom.

Wemyss Ware is perhaps the best known and most collected of Scottish ceramics.

Its popularity is deserved: despite a tendency to chip and crease, due to the low temperatures at which it was fired to maintain the brilliance of the colouring, it is one of the most attractive and gayest of late Victorian art potteries.

The chronological origins of the characteristic Wemyss style remain a little cloudy, but the year 1980 has been chosen as its centenary. To mark it, a special goblet, which also commemorates the 80th birthday of the Queen Mother, has been produced by Doulton. The goblet, in a limited edition, has been designed by Alan Carr-Liofard to very much the same style as the cups with which Wemyss once celebrated the Diamond Jubilee of Queen Victoria (1897), the Coronation of Edward VII (1902) and George V (1911) and the conclusion of the Boer War (1902).

For examples of the Diamond Jubilee goblet and the Edward VII loving cup Sotheby's expects prices of upwards of £250. In addition, number 500 of the 1980 goblet will be auctioned at a reception in aid of the National Trust for Scotland and the Stars Organisation for Spastics.

Wemyss Ware, with its characteristic decoration of brightly painted stylised natural history designs, was made at the Fife Pottery at Gallatton, Kirkcaldy, for some half-century.

The factory had been established in late Georgian times to



Wemyss ware: Earthenware.

make useful wares, and continued in this mundane line until 1869, when it was taken over by Robert Methven Heron from his father.

Heron was cultured, widely travelled, and apparently imbued with the artistic ideals of Morris and his followers. Perhaps inspired too by the example of Doultons of Lambeth, who had introduced their Art Pottery alongside an old-established production of seedy and other useful wares, in the early 1880s he determined on the production of a new decoration.

To this end he introduced a group of decorators from Central Europe, which might seem a rather unlikely strategy for establishing a native Scottish pottery. In fact most of Heron's immigrants seem to have taken one look at Kirkcaldy and sailed back from whence they came. One however, Karel Nekola from Bohemia, stayed on, having married a local girl, to give Wemyss its characteristic look.

Miraculously almost, the man

riage of rather stolidly British forms with Nekola's ebullient decoration, rooted in traditions of European peasant art, and the application of brilliant Bohemian colours to the interpretation of the delicate British flora, produced a style that was distinctive, original, and settled easily into its Scottish habitat.

Aristocratically named in homage to the factory's early patrons from nearby Wemyss Castle, the new ware proved to have a great appeal for prosperous late Victorians and Edwardians. The bulk of the firm's output was marketed through Thomas Goode of Mayfair, whose own mark is often found on Wemyss Ware. Some pots decorated with hives and bees, were made to Goode's own specification.

Most Wemyss Ware was intended for use—vases and bulb pots, tea services and toilet sets, chamber pots and cheese dishes. Of the purely decorative items the most popular seem to have been fat pigs in varying sizes and styles of floral decoration.

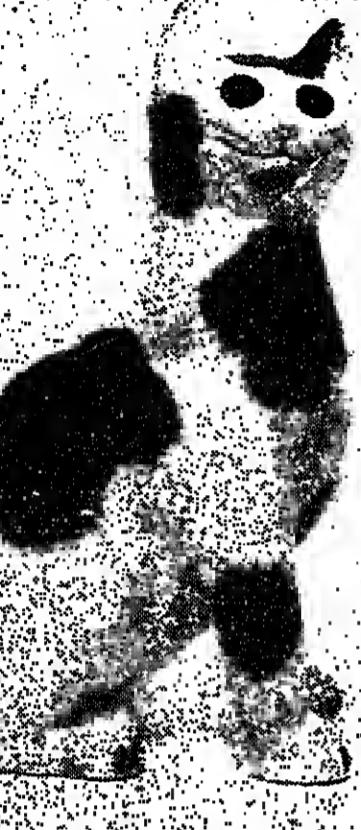
though today the medley grinning cats are most in demand.

A particularly maniacal feline, with green glass eyes and black spots, is expected to realise between £400 and £500 on September 12.

The great merit of Wemyss is that it remains the decoration by Nekola and the local artists he trained. They excelled in floral decoration, with blowsy pink cabbage roses as the out-and-end favourite of the period. Other floral favourites included carnations, Canterbury bells, irises, sweet peas and thistles, with the greengrocery department contributing apples, cherries, lemons, oranges, plums and grapes.

The most usual Wemyss fauna were ducks, cocks and hens, pheasants and peacocks, though two of the most desirable items in Sotheby's sale are a bowl

decorated with pink flamingoes and an "Earthenware" toilet set, with a rookery silhouetted against a misty landscape, which must be reckoned a masterpiece of the production of this attractive Scottish pottery.



Wemyss cat: a £400 maniac grin.

A season for assessment and new issues

STAMPS

IAN MACKAY

TRADITIONALLY August was regarded as a quiet month in the stamp trade. The salerooms took stock of the past season and prepared for the next: dealers shut up shop and went on holiday and collectors turned from their albums to the lawn mower.

All this changed some years ago, however, since postal administrations the world over had a disconcerting habit of springing new issues on the unwary regardless of the season. It is still relatively quiet in the salerooms, but with auctions continuing into the second week of the month and the new season starting during the last, the sector tends to be of very brief duration. Dealers now use their vacation to go on buying trips overseas or forays into the provinces, backed by that modern phenomenon, the stamp fair circuit.

Significantly August 21-23

sees the largest stamp exhibition ever held in Scotland—SCOTEX at the MacLellan Galleries, Glasgow, with more than 35 dealers' stands and a galaxy of invited exhibits providing a formidable counter-attraction to the "Edinburgh" Festival.

To collectors of Commonwealth material, however, August is now the big point in the calendar, for it is then that the eagerly awaited "red book" makes its annual appearance. Stanley Gibbons' Stamp Catalogue, Part 1, British Commonwealth, to give it its full title, now costs £12.50, but contains 1,073 pages set in three columns of closely packed data on all stamps of the Commonwealth since 1840, with the latest prices.

True, the vast amounts of purely speculative money that were pumped into philately a year ago have moved on to other fields, and the hobby is the better for this departure. We appear to have returned to a situation in which superb material is in keen demand, but the second rate finds few takers.

The classic issues of the period from 1840 to 1880 continue to be the blue chips, probably. The cheapest version

of the Peony Black stands at £150 in fine used condition, and its compadron, the Two-pence Blue, at £300, with mint examples rising to £3,000 and £7,000 respectively.

There have been some hefty increases in many other Victorian British stamps and while the Edwardian and early Georgian stamps have not fully recovered from the onslaughts of the speculators last year many of the more modestly priced items have shown a reasonable increase. This is material which the investors largely ignored and its demand by true collectors is reflected in the steady growth in recent months.

The most dramatic increase in prices has taken place in the reign of King George VI and there has also been a rekindling of interest in the earlier part of the present reign, with many issues of 1953-65 substantially raised in price.

Some countries used to be less popular than others, but there is now a uniformity of

interest and it is impossible to single out any "sleepers" with an eye to future potential. Even the stamps of the Indian states, long regarded as the closed preserve of the Sanskrit scholar or those for whom sheer ugliness exerts a peculiar fascination, have become immensely fashionable. This section of the catalogue has been substantially rewritten and the prices thoroughly overhauled.

At the other extreme the very active local markets in such countries as Australia, South Africa, Singapore and Hong Kong have had a marked effect on the increased prices of many stamps from these areas.

Pbilatelists in these countries are turning their attention to the earlier stamps of neighbouring countries, and this is reflected in the considerable increases noted in New Zealand's stamps of all periods and to the stamps of the British South Africa Company, Southern Rhodesia and Rhodesia, the post-1961 issues of which are now fully listed in permanent form for the first time, since the

lifting of sanctions.

Unquestionably the most important development in the catalogue is the valiant attempt to provide some guide to the value of used stamps on commercial cover. For the earlier issues of Britain this takes the form of a third column of prices, but elsewhere each country is preceded by a table showing a multiplying factor, whereby one can convert the price of any used stamp of paper to value at an approximate price for the same stamp on cover.

Specialists have long appreciated that many stamps priced in cover are major rarities on cover, but years of patient rummaging through dealers' oddments occasionally pay off when they fit upon unconsidered trifles, purchased at a fraction of their true worth. Now all is revealed and there will be few bargains in future. Doubtless the inclusion of prices for stamps on cover will do much to stimulate the growing interest in postal history material.

ANOTHER well-contested Grieveson Grant British Championship ended last week at Brighton with a tie between England internationals William Hartston and John Nunn. They will play a six-game match for the title at a later date, probably in London in February.

So close and hard-fought was this year's event that as many as eight players shared the lead with three rounds to go. In such tense situations experience is at a premium and Nunn and Hartston emerged from the pack to prove worthy winners.

CHESS

LEONARD BARDEN

(not PxN; 9 PxP, NxN; 10 QxR; 11 R-N; 12 P-Q5; 13 N-Q4; 14 N-N; 15 N-BN; 16 Q-R; 17 K-B1 (after B-Q2; 18 K-B3; 19 Q-Q2; 20 Q-Q1; 21 P-Q3; 22 P-Q4; 23 P-B5; 24 N-B4; 25 K-K1; 26 P-K3; 27 P-K3; 28 B-K4 (threatening BxK which was too dangerous before, and so provoking further exchanges); R-R6; 29 R-N3; R-R3; 30 P-KB; 31 QxR; Q-R4; 32 N-P; Q-B6; 33 Q-N4; N-Q1; 34 Q-N5; P-B5; 35 Q-N6 ch; K-Q2; 36 N-P ch; K-B2 (if PxN; 37 Q-N7 ch); 37 Q-N7 (this decider is appropriately linked to the weakness created by Black's opening); R-B; 38 QxP ch; K-N3; 39 N-Q7 ch; K-R3; 40 N-N ch; K-N2; 42 R-B ch forces mate.

POSITION NO. 334

BLACK (11 men)

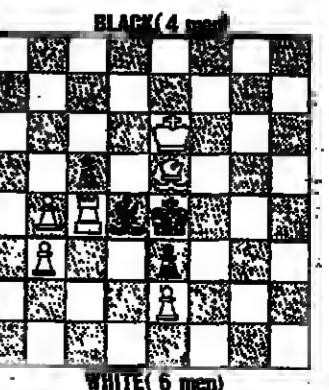


Schneider v. Sax, Hungarian championship 1977. Black (to move) sacrificed knight for pawn to reach this attacking position; how should he continue?

Grandmaster Sax is one of the top seeds in the annual Lloyds Bank Masters at the Alexandra Palace, Finsbury Park, London, where leading British men and women experts and juniors are in contention for international titles. Play continues every afternoon until August 28.

PROBLEM NO. 334

BLACK (14 men)



White mates in three moves at latest, against any defence (by M. Zucker).

Solutions, Page 10

ENTERTAINMENT GUIDE

THEATRES

CINEMAS
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FINANCIAL TIMES

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Saturday August 23 1980

Fair wind for small savers

MINISTERS already on holiday have found little to cheer them in the recent news, which has brought further evidence of failure to achieve their financial objectives, and of the deepening recession which is resulting from that failure. However, the old saying about "fair wind holds true; and the good news is that both the authorities and some powerful commercial interests are beginning to see one of their best hopes of improved performance in wounding the small saver. Our stumbling economic crisis may now deliver what years of political slogans have failed to offer: a decent reward for thrift.

Honesty

Since savers have never formed an effective pressure group, it is borrowers—housebuyers, industry and the Government's own spending departments—who have generally won any arguments in the past, and perhaps only necessity could have produced this long-overdue rebirth of interest in financial honesty. Necessity in this case has taken odd and technically devious forms, but it is none the less pressing for that.

The failure of monetary control, on the definitions the Government has chosen to use, reflects one side of the crisis: the ineffectiveness of trying to force excessive private borrowing through excessive Government funding. The trouble is that in a recession—the result of high interest rates and a higher exchange rate—industrial borrowers are driven into debt by necessity. When the Government mops up cash by selling gilts the banks cannot square their books by calling their loans—or even by refusing facilities.

The result is an apparatus of vicious circles. In the first round the authorities are compelled to feed cash back into the banking system by allowing and indeed encouraging the banks to pawn their investments in bills, Government stocks and export credit. In the second round the banks seek fresh deposits so that they can get their assets out of hock—a process which actually drives up the money supply. The banks have therefore taken the lead in the new competition to attract small savers.

Meanwhile, the markets and the real economy continue to reflect the result of past policy failures. When liquidity is tight but credit and the broadly-defined money supply are growing rather rapidly, the gilt market suffers and yields rise. There is nothing visible in the real economy to encourage the equity market, with news of short time, redundancies and closures every day—including half of UK newspaper capacity—and some pretty doleful profit figures.

However, investment funds remain plentiful, now reinforced by what looks like a dramatic rise in personal saving, evidenced both by the gap between the continued growth of real incomes and the recession in spending, and by recent experience of the building societies and other deposit takers. A serious Government effort to tap this growing flow of funds will improve our economic outlook in the long run; but in the short run it should restore a more realistic balance to the gilt and equity markets.

This is the result of another

problem faced by the leaders of the client states and the Kremlin: Where are the permissible limits of internal dissent and external autonomy? What are the essential interests of the Soviet Union, which is not just a conventional Great Power, but the guardian of the purity of the so-called Marxist-Leninist doctrine, which in turn legitimises the rule of Communists everywhere?

The sudden resumption of the Soviet jamming of the Russian-language broadcasts of the BBC, the Voice of America and Deutsche Welle after hiatus of seven years provides a striking proof of the concern in the Kremlin about the spread of the contagious "freedom disease". Yet at the same time the extremely cautious Soviet bloc

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Interferon: the high stakes gamble

BY DAVID FISHLOCK, SCIENCE EDITOR

In a laboratory in Beckenham there stands a 600-litre "test tube" in which scientists are cultivating crude interferon from human cancer cells on a scale which astounds medical researchers.

This is just one example of a number of speculative multi-million pound investment in new biotechnology plants to produce interferons, even though it is not yet clear that they can live up to the extravagant claims being made for them.

Interferons are naturally occurring drugs which can kill viruses and which seem to slow down the growth of at least some kinds of cancers. Hence the excitement in the scientific community that it may now be possible to obtain interferon in quantity and of a purity consistent with good scientific experiments.

For more than two decades, since their discovery in the Medical Research Council's laboratories at Mill Hill near London, the interferons have been a source of immense frustration to scientists and industry alike. Lord Rofschiedt summed up the problems recently when he quoted the current price as "billions of dollars per pound."

The flood of publicity this year about what interferons may be able to do has masked their scarcity and prompted deeply distressing calls from mothers of children dying of cancer, begging a pinch of the drug for their child.

Most recipients of such calls dearly wish they could lay hands upon a pinch of pure interferon, in order to see if it really does work. But some of the industrial teams — in Britain and abroad — which are right at the forefront in making the drug are deliberately under-stating their involvement for the present. Not least they fear the consequences of public reaction should hopes be raised high for yet another "cure for

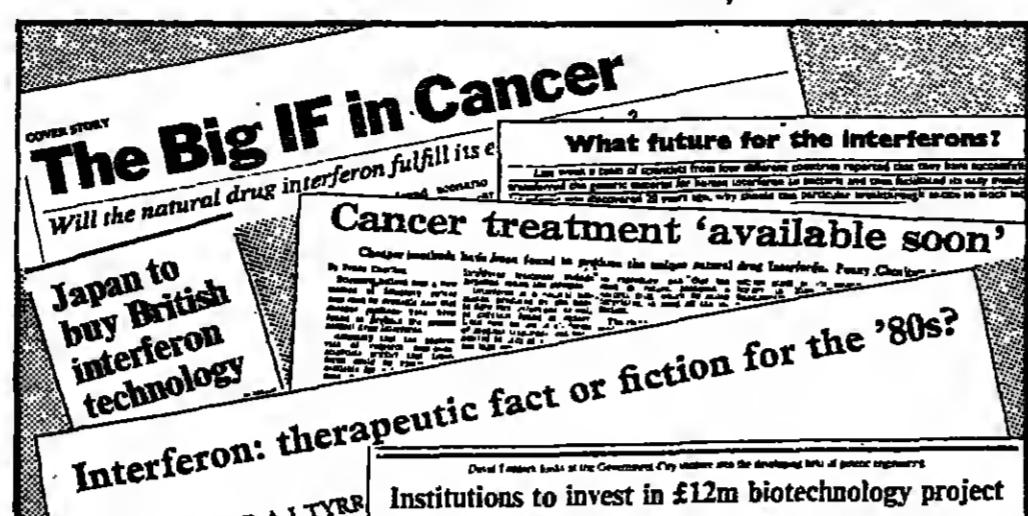
cancer" which once again proves not to work.

Back in the 1950s the late Dr. Alice Isaacs and Dr. Jean Lindenmann showed that interferon was the living cell's natural defence against infection by a virus. Unlike bacteria, the still smaller micro-organisms called viruses are not killed by antibiotics or other present-day drugs; which is why virus diseases from colds or influenza to smallpox, yellow fever, and possibly some cancers are so difficult to treat.

The two British researchers showed that interferons — only recently has it become clear there are several of them, complicating the story still further — are liberated by cells infected by a virus. They showed that interferons are highly toxic to viruses. And there for years the story rested because it proved almost impossible to separate interferons in a form pure enough for scientists to test, with reasonable assurance that what they were testing was indeed interferon and not some unidentified substance. Typically, what little interferon was being prepared contained only one part of interferon in 1,000 parts of impurity.

All but one British drug company, for example, gave up the struggle for pure interferon during the 1960s. Only the Wellcome Foundation persisted. This year its persistence has been rewarded. It has received an order from cancer research workers for \$1m worth of its purest interferon — Dr. John Vane, its director of research says this is about 50 per cent pure — and the company has just made an agreement with the Sumitomo Chemical Company in Japan, which wants to make the drug under licence and to buy it from Wellcome for initial experiments in Japan.

In 1971 G. D. Searle, a U.S. drug company — in its British research laboratories at High Wycombe — began to culture cells as the first step in



lengthy business of preparing "pure" interferon from living cells, and convincing the drug safety authorities of its safety. In 1977 Searle became the first company in the world to receive approval from both the British and the U.S. Governments, for its interferon to be given to patients. The first clinical trials began in a cancer hospital in Texas this year.

The most important source of interferons so far has been the Finnish Red Cross Blood Transfusion Centre in Helsinki, where Dr. Kari Cantell spent a decade perfecting a way of separating one type of interferon from white blood cells (leucocytes). From 90,000 pints of blood donated he produced about 10,000 pints of "crude interferon" containing a trace — one-tenth of a gram in total — of pure interferon.

This source of interferon has prompted some of the most optimistic claims for its efficacy as a "cure for cancer," notably from tests in Sweden on patients with a rapidly fatal bone cancer. But other scientists are very unhappy at the claims being made and what they claim is the poor control exercised in

the Swedish experiments.

Among the most confusing of the legends that has already grown up about interferons is the idea that they can now be made simply and cheaply by "genetic engineering." This is simply not true; although so fierce is the commercial competition in some parts of the drug industry that exaggerated claims for this new technique have been widely publicised. In fact, the techniques in which Wellcome and G. D. Searle in Britain, and Abbott Laboratories in the U.S., for example, are now investing millions of pounds do not involve genetic engineering at all.

Nevertheless they are bio-technology processes, just as the processes used to make antibiotics and the Pill, or for that matter beer and cheese, are bio-technology processes. If, and when, genetic engineering proves successful in making interferons in the factory, these too will be bio-technology processes.

Bio-technology processes are those which harness a living organism, such as a cell or a microbe, in such a way that they thrive and multiply rapidly, like yeast on a fermenting beer.

Wellcome has perfected its method of making "crude interferon" from human cells in its 500-litre vessel at Beckenham. This is a vessel in which the organism can be continuously fed and coaxed in closely controlled conditions, and protected from any risk of infection. In short, it is a kind of intensive care in which the organism has nothing to do but breed. But the scale of the operation still amazes medical researchers.

One of the many problems of interferon is that it has proved to be "species specific," which means that people seem to respond only to the kind of interferon released by human cells. We do not respond to interferons released by some other species in the way, for example, that a person with diabetes can be treated successfully with insulin extracted from the pancreas of a pig or a cow.

The raw material for Wellcome's interferon is human white blood cells taken from people with a particular cancer. The company makes a culture of these lymphoblastoid cells, cultivates them so that they are continuously proliferating, and continuously infects them with

a particular virus to stimulate them to make interferon in self-production.

They then use an elegant scientific method called chromatography to separate the trace of interferon from the "sour" of cells from the far greater quantities of unwanted protein. to obtain a drug that is 50 per cent interferon. Wellcome is scaling up this delicate manufacturing operation at one of its factories overseas, to make the quantities needed for trials in patients. The company obtained approval last year to carry out trials on patients suffering from cancer or other life-threatening disease. It is also providing interferon to Medical Research Council groups in Cambridge and Warwick which are developing a technique of purifying it still further.

Even so, Dr. Vane stresses that interferons remain "an experimental agent which can at present only be manufactured at high cost." The investment in this modest stage of scale-up, as both Wellcome and G. D. Searle confirm, runs to several million pounds — for a drug whose efficacy is far from proven.

In Israel researchers seem to have found another promising source of human cells. A senior British scientist recently returned from Israel unsure whether they were pulling his leg when they told him how they had alighted upon relatively plentiful snippets of human skin tissue — courtesy of the rabbis. But a joint Israeli-Swiss company has just been set-up to purify interferons from this source, in a \$1.5m commercial project.

What, then, of "genetic engineering," the technique which has been heralded in some quarters as the route to pure and cheap interferon? In the mid-1970s molecular biologists discovered ways of performing micro-surgery on strands of the genetic material (RNA) which serves as the

template when new cells are growing.

This opened the possibility of tinkering with genes in such a way as to transfer an activity specially desired — say, the production of a particular substance by a cell — to an organism which could conveniently be bred in large numbers by bio-technology.

Early this year the scientific Press carried first reports of success in manipulating genes so as to induce bacteria to make interferons. The reports came from scientists closely

Companies of this kind have proved a valuable stimulus to biotechnology in recent years. Their value was recognised by the government's scientific advisers, which urged the setting up of a UK counterpart earlier this year, and by Sir Keith Joseph, Secretary of State for Industry, who met some of their executives in California this summer. When Sir Keith asked why he had to travel all the way to California to learn of the growing importance of the technology, he was told by an aide: "you wouldn't have believed it at home."

But they have a problem: they are contract research organisations specialising in genetic engineering, and have no products of their own to sell. They are selling themselves on their scientific achievements and their hopes of "breakthroughs" to come. On the strength of these hopes they have attracted tens of millions of dollars of venture capital. Yet they are in much the same position as a mining company which believes it has title to a rich orebody but no permission to mine it.

The tensions this creates have added a fresh twist to a situation in which, in spite of so many past disappointments, people are still clutching eagerly at each new claim for a "cure" for cancer. As a U.S. cancer research director said recently: "The desire to believe in progress in cancer treatments is so profound that people don't want to bear the disbelievers."

Overall the world of medical research seems more optimistic at the moment that some good will come yet from interferon than the Scottish cancer specialist who wrote in the same issue of the BMJ of the "considerable evidence that interferon does not work: it does not prolong life; does not eradicate cancers; does not even partially shrink most tumours." But it certainly agrees when he adds dourly: "and it does cost a fortune."

involved with venture capital companies set up with U.S. capital to exploit the new opportunities opening for biotechnology. (Both Britain and France this summer have copied the U.S. lead and set up venture capital companies of their own in this field.)

At least two of these companies, Biogen (which is closely associated with Schering Plough) and Genentech (which is closely associated with Hoffmann La Roche) have taken the first step on what is likely still to prove a long and frustrating road to pure and relatively abundant interferon from genetic engineering. What no one knows at this stage is how troublesome it will prove to cultivate the "doctor" bacteria on a commercially significant scale; or how difficult it will be to purify the interferon; or even whether the interferon made in this way will ever be a sufficiently potent yet safe kind of drug to give to patients.

production industries: July figures for stoppages of work due to industrial disputes; June figures for overtime and short-time working in manufacturing industries; June quarter statistics for unemployment, vacancies and placings by occupation; Department of Energy issues details of energy trends.

FRIDAY: Department of Industry publishes in British Business and July final figures for car and commercial vehicle production.

Economic Diary

TODAY: International Motor Cycle Show opens at Earls Court, London (until August 30). Town and Country Festival opens at the National Agricultural Centre, Kenilworth, Warwickshire until August 25.

TUESDAY: Lord Carrington, Foreign Secretary, visits Saudi Arabia. Offshore North Sea Technological Conference and Exhibition opens, Stavanger, Norway (until August 29).

WEDNESDAY: Presidential election in South Korea. Display of student projects in industrial

Weekend Brief

Memories are made of this

The first Test in England was played at The Oval on September 6, 7 and 8, 1880 and, to celebrate this landmark, the Centenary Test between England and Australia commences at Lord's next Thursday. Although the Australian team have been here for several weeks, a large party of former Australian players, some hundred strong, have just descended upon London to see the match and to relive old battles with their opponents of yesteryear.

This massive reunion of men, who were luck enough to do battle for the Ashes, is a considerable cricketing occasion. All one hopes is that it proves as enjoyable and successful as the memorable Melbourne Centenary Test of 1977, which was well organised, enormous fun and also produced a magnificent game of cricket. Everything was perfect, including the weather, with rain only falling on the rest day. The result was a facsimile of the original encounter with Australia winning by 45 runs, so that it was hard to believe that there had not been divine intervention.

Certainly on this occasion England would have no objection if the Lords Test ended in the same way as the first meeting over here, when Lord Harris and Company, with the aid of a majestic 152 from W. G. Grace, achieved a five wicket victory.

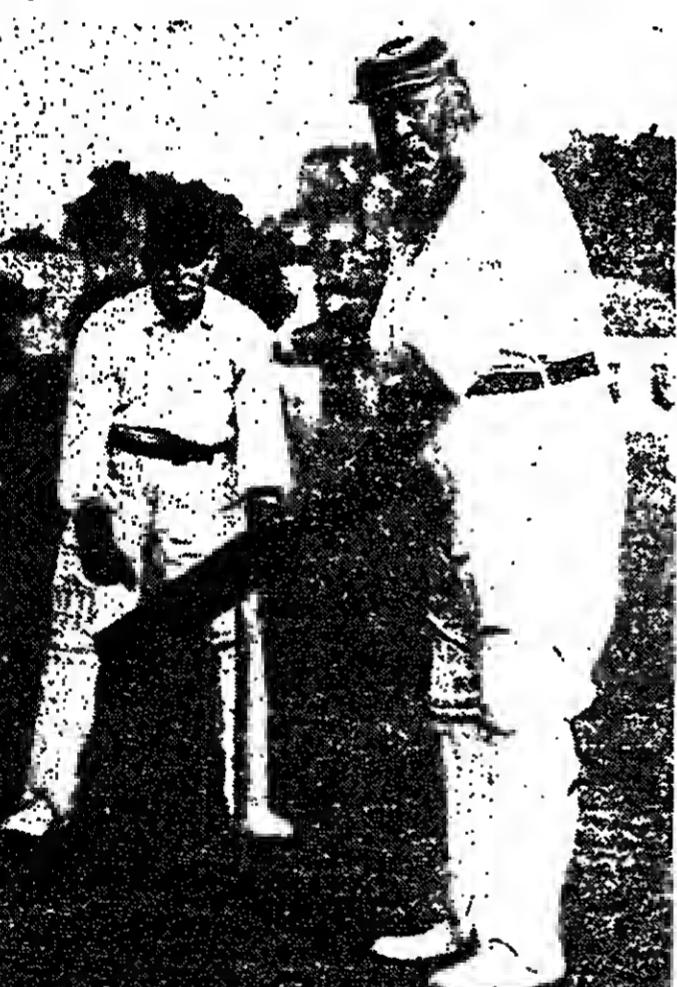
The itinerary for the visitors was to put it mildly, strenuous — a fearsome profusion of parties and a distinct shortage of sleep, guaranteed to tax stamina. In addition, some have also been coaxed into taking part in three Old England v Old Australia matches at The Oval, Arundel and Everdon Hall.

The opening get-together was at London's Russell Hotel on Thursday. Although most were a little tired after the flight, and looked a little older, thicker round the middle and thinner on top, the memories of past encounters came flooding back — a hook by Peter Burge, a Lindwall yorker, Bill Johnston loping up to bowl, "Slasher" Mackay rhythmically chewing, Neil Harvey throwing from the boundary, and that twinkle in the eyes and voice of Lindsey Hasset.

There can have been few more impressive, contrasting and effective spearheads than Ray Lindwall and Keith Miller, the former with that beautiful controlled run up, pace and late swing, and the latter with a short, almost casual approach, and high, steep action which produced unpleasant lift from the most docile of pitches.

Arthur Morris, Neil Harvey and Bill Lawry were three master lefthanders, but all very different in style. Arthur, forever shuffling across his stumps, seemed to use an unusually broad bat with which he placed, and hit, the ball with precision and power. Neil was probably the best post-war Australian

All set for cricket's celebration replay at Lord's... why China is worried about its talent exports... and golf's saleswoman



W. G. Grace: a match winning 152.

Golfing sales drive

Ask any real estate agent in London or the South East how business is going these days and you'll get a heart-rending wince. So it comes as something of a surprise to meet a Scottish real estate agent this week smiling from ear to ear and chirruping that business has never been better.

"Recession? You certainly wouldn't know there was a recession on the way we have been selling these flats and apartments. We're selling them as fast as we make them now — and the better ones are going at around a quarter of a million pounds," enthuses Glasgow-based Christine Hill.

Mind you, Hill is the first to admit that it is no ordinary housing estate she is selling. It is the Bovis Homes-British Transport Hotels joint venture residential housing development set in the 700 acre grounds of Scotland's famed Gleneagles Hotel, with its four golf courses and abundance of glens and lochs for shooting and fishing. And they are no ordinary houses, rather a range of flats and apartments priced from £50,000 to £250,000 that have been specifically designed as luxury holiday homes for the well-heeled golf enthusiast.

But despite the development's undoubted attractions, one would have thought that the Scottish holiday homes market would be one of the first to suffer in the current economic climate.

"Not at all — we've sold 98 of the 172 flats, houses and apartments that will make up the total development, and the only reason we've only sold 98 is that we've run out of properties to sell, the remaining 74 units are still to be built," says Hill, who, as sales and marketing director for Bovis Homes Scotland, is responsible for the Gleneagles Hotel development.

However, there was a time in Auchterader when Bovis wondered whether it had over-estimated the demand for golfing holiday homes. Until about 18 months ago the apartments just weren't moving, despite a heavy advertising and publicity campaign.

One apparent change in the regulations has meant that fewer intellectuals — the catch-all Chinese term for those with advanced skills — are being encouraged to study abroad under the sponsorship of overseas Chinese relatives. Instead, more emphasis is apparently being placed on government sponsored students.

However, as one diplomat pointed out, the Chinese are in a "clever stick" over the whole question of overseas study. They need the expertise that can be gained in places like America and therefore must be prepared to accept an attrition rate.

There have long been rumours of Chinese being able to bribe their way out of the country. The going rate, according to one source, is around \$1,000. However, this may be becoming more difficult to arraige as the general policy is tightened. No estimate is available of the extent of the brain drain, but it is likely it runs into tens of thousands.

Chinese leaders frequently complain of a shortage of skilled personnel. Deng Xiaoping, the senior vice premier, in

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guaranteed for the initial term and the present interest rates based on our current Share rate of 10.50%.

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I enclose a cheque for £					to be invested in a Nationwide Capital Bond for an initial term of 1 year <input type="checkbox"/> 2 years <input type="checkbox"/> 3 years <input type="checkbox"/>
4 years <input type="checkbox"/> 5 years <input type="checkbox"/> Interest is to be compounded <input type="checkbox"/> or paid monthly <input type="checkbox"/>					
Your total investment in all your Nationwide accounts must not exceed £20,000 (£10,000 for a joint account). No withdrawals are possible during the initial Bond term selected except following the death of an investor.					

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Full Name(s)

Address

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BIDS AND DEALS

Flurry of dealings baffles R. Martin

Directors of leading money brokers, R. P. Martin, are baffled by a flurry of trading in the company's shares in the past week originating from Panama.

Yesterday, the company was informed that Tangora Inc., a Panama company, had acquired 650,000 shares, 15.83 per cent of those issued.

Last Friday, another Panama company, Tandour Co. Inc., whose offices are in the same building as Tangora's, sold 413,000 Martin shares, 10 per cent of those issued.

Attempts by Martin directors to discover the identity of the owners of the two Panamanian companies have been in vain so far.

"We are very intrigued," Mr. D. D. Phelan, chairman and managing director of Martin, said yesterday.

On the Monday following the sales by Tangora, Martin published much improved results for the year ended on June 30, showing pre-tax profits up 88 per cent to £710,000. The shares gained 10p to 61p on the day Tandour sold its shares, rose another 2p to an annual high following publication of the results on Monday and finished yesterday up at 72p.

"There is no way there could have been a leak," Mr. Phelan said.

Martin first became aware, last June 27, that Tandour had acquired a 10 per cent holding when it received a telex from

another Panamanian company called Alcontran Investment S.A. Requests to Alcontran for further information on Tandour yielded no results.

Then last Monday, Martin got a letter from Alcontran, dated August 16, advising that Tandour had sold its shares. Later this week, a letter arrived from Manchester stockbrokers Halliday, Simpson and Co., advising that they had purchased 600,000 Martin shares for Bank Brussels Lambert UK Nominees.

Yesterday, Bank Brussels Lambert told Martin that it had bought 650,000 Martin shares for £4.4m.

"We are pushing Bank Brussels Lambert to find out who is behind Tangora," Mr. Phelan said, "but it is very difficult."

Martin is believed to be considering adopting powers to disentangle shareholders who refuse to identify themselves.

Tiny Rowland buys more Lonrho shares

A private company controlled by Mr. Tiny Rowland, chief executive of Lonrho, the international trading conglomerate, has acquired 2.5m new ordinary shares which were not taken up under Lonrho's recent rights issue.

S. Pearson paying \$11m for stake in U.S. leisure company

S. Pearson and Son has agreed to buy a 9.5 per cent stake in Cedar Point, a U.S. company that operates two family amusement and recreation centres, for \$11.3m.

Pearson is paying \$36 a share for the 313,612 Cedar Point shares held by MCA, the U.S. television and records group whose tender offer last December for a further 11 per cent of the Cedar Point shares was successfully rebuffed by Cedar Point management.

Mr. Robert L. Munger, chairman of Cedar Point, has welcomed Pearson as a shareholder and said he looked forward to discussing an increase in Pearson's investment on terms which are in the interests of all Cedar Point shareholders.

The company, whose shares are traded over the counter in the U.S., operates amusement parks in Minnesota and Ohio. In the year ended March 31, 1980, net revenues were \$63.76m and net income \$9.78m. The shares have traded recently at the \$30 level.

Pearson, the diversified publishing, manufacturing and financial group, has a base in the entertainment business through its ownership of Madame Tussaud's and has been increasing its investments in the U.S., notably the purchase of the Manatee publishing group in Florida in June by Pearson Longman subsidiary, Westminster Press, for \$9.6m.

F. S. RATCLIFFE
West Bromwich Spring has increased its shareholding in F. S. Ratcliffe from 82,500 to 105,000 ordinary shares equal to a stake of 13.2 per cent (10.38 per cent).

£15.5m assets for new oil combine

THE PROPOSED merger of Cambridge Royalty Company, Cambridge Petroleum Royalties and Petroleum Royalties of Ireland would produce a company with combined net assets of \$35.8m (£15.5m), according to the scheme of arrangement between the companies.

Under the scheme, shareholders in CPRL will receive one CRC share of \$1 par value for every two CPRL shares held. The terms of the agreement have been based on both the relative

market value and the estimated asset value of the two companies.

An independent assessment by DeGoyer and MacNaughton, petroleum engineers, value the oil and uranium interests of CRC at \$10.7m, those of CPRL at \$12.87m and those of PRL at \$10.3m. The other assets of the companies are predominantly inter-company holdings. The merger agreement also envisages the exchange of 0.62495 CRC shares for each CPRL share.

The only other major shareholder in Ratcliffe's capital are the directors, Mr. C. J. Gilliam, director, is interested in 17.674,000 ordinary (11.45 per cent). Mr. H. J. H. Gilliam is interested in 1,093,993 ordinary—Mr. G. S. Holgate, director, has acquired 20,000 ordinary.

MEETING ON SELANGOR SALE

The shareholders' meeting to approve the sale by Castlefield (Klang) Rubber Estate of the Selangor plantation for development is to be held on September 11.

Documents detailing the transaction, which involves a leading Malaysian property developer, were sent to shareholders yesterday.

PETROCON TO SELL HAM BAKER

Petrocon Group is to sell its wholly-owned subsidiary, Ham Baker Co. to Blawater Shellshear for £1.05m.

Of the consideration, £900,000 is payable in cash on completion and the balance of £250,000 in two equal instalments over two and three years. In addition, Blawater will repay amounts due to Petrocon which at June 30, 1980, amounted to £258,014.

Ham Baker, which manufactures valves and penstocks for the water and sewage treatment industries, turned in pre-tax profits of £291,192 in 1979.

Net tangible assets amounted to £1.23m. Unaudited management accounts for the first six months of 1980 indicated profits before tax of £86,879 after charging exceptional items of £33,616.

Petrocon will use the proceeds initially to reduce short-term borrowings and, when suitable opportunities occur, to expand in oil-related industries.

SHARE STAKES.

General Accident Fire and Life Assurance Corporation — The Kuwait Investment Office has acquired a further 148,000 shares and now holds 7.95 per cent.

Hensher (Furniture Trades)—Mr. A. W. Powley has disposed of 35,000 shares (5.3125 per cent).

Homfray—Following the transfer of 70,840 ordinary shares to

market value and the estimated asset value of the two companies.

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The directors point out that the loss this time was struck after providing £30,000 for early retirement and redundancy payments. These were made in order to reduce the operating costs of the company by over £300,000 per annum.

With this reduction in operating costs and the introduction of new products, the group is now in a position to prosper—especially if assisted by only a small upturn in its marketplaces, the directors add.

There is again no interim

increase in dividend may be too much to hope for.

Profits of between £47m and £50m are expected from Associated Dairies, which announces its preliminary figures on Wednesday. The group made £41m in the previous year, since when it has expanded its floor space by around 12 per cent and picked up an extra 3 per cent of the dry food market. Its price-cutting campaign will also be up, with South Africa having already reported almost doubled profits for the half. Results from Mexico will also be better and Chile should make a significant contribution for the first time.

TMS, which reveals its interim results on Tuesday, should show a significant gain in pre-tax profit over last year's strike-hit £13.6m.

Analysts are expecting pre-tax profits of between £30m and

£30m from Blue Circle Industries, which produce interim figures on Wednesday. The group made £20.8m last year but has since had the benefit of cement price rises within the UK. The firm of the Gendar holding will have improved its position and foreign interests will also be up, with South Africa having already reported almost doubled profits for the half. Results from Mexico will also be better and Chile should make a significant contribution for the first time.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Allegany Ludlum of the U.S. is prepared to make an alternative offer to its original terms of 185p per share cash for Wilkinson Match. Under the new offer, ordinary shareholders will be offered the opportunity of electing for 185p nominal of 11 per cent loan notes of Allegany.

Thomas Tilling continued its rapid U.S. expansion with the proposed acquisition of engineering concern Winfred M. Berg of New York for \$8m (£5.3m).

Progressive Securities Investment Trust received an approach from an unnamed source which may lead to an offer for the company.

Great Universal Stores is to acquire all 170,000 agents and debt together with certain trading names of John Myers, the unprofitable mail order subsidiary of UDS. The purchase price, yet to be decided, could be in the region of £15m.

Company Value of Price Value Final Acc'tee Company bid for Market before bid. Final Acc'tee Company bid for Market share** price** bid. Final Acc'tee bid for Market share** price** bid. Final Acc'tee bid for Market share** price** bid. Final Acc'tee date

B & Q (Retail) 85* 80 66 1.65 F. W. Wmwrth. — Bio-Ki 150* 142 100† 1.50 Laports — Christy Bros. 30* 39 33 0.60 Simon and — Coates — Corn Exchange 52* 51 47 11.68 British Land — County and Dist. Prop. 180* 184 195 16.35 Costain — Hay's Wharf 250* 247 272 53.74 Knutson Inv. — Office — Hensher 102* 103 78 1.83 Tebbitt 27/6 Hensher 'A' 99* 101 75 3.17 Tebbitt —

Company bid for	Value of bid per Market share** price**	Price before bid	Value of bid per Market share** price**	Final Acc'tee date
Prices in pence unless otherwise indicated.				
Kayser Boodor Lidstone	100* 46 280* 310	56 290	0.51 0.51	Courtaulds Security Exchange
Macanil (Lond.) Marston Trust	30* 30 39* 55	23 33	0.38 0.34	Courtaulds Finance
Marshall Cnyslub	31* 31	27	4.80	Times Publishing
Nationwide Leisure	6* 7 74	9	0.66	Berlitz
Reverley Rolls-Royce	475* 48 871	44 64	6.69 38.59	Rantedge Yule Cato Vickers Simon and Coates
Selection Trust	£121 121	£121	405.15	BP British Land
UK Props. Wilkinson Match	58 58 187* 187	371 160† 243.33	1.55 2.73	Allegany Ludlum

* All cash offer. † Cash alternative. ‡ Partial bid. \$ For capital not already held. 1 Combined market capitalisation. 2 Date on which scheme is expected to become operative. 3 Based on £1 suspension. 4 Estimated. 5 Shares and cash. 6 Unconditional. 7 Ordinary share alternative.

Offers for sale, placings and introductions

Shackleton Petroleum—Has raised £10.5m through the placing of 600,000 shares at £1.51.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit £'000)	Earnings per share (p)	Dividends per share (p)
Asa. British Els. Balfour-Bell	March	2,670 (1,740)	—	0.125 (—)
Capita. G. & S. County & District	July	458 (427)	1.15 (1.135)	—
Dale Electric	Mar.	724 (1,685)	4.81 (4.22)	8.75 (5.75)
Denbyware	April	1,300 (3,200)	1.03 (12.34)	4.125 (4.125)
Geller	Mar.	804 (1,969)	4.65 (9.07)	4.112 (4.170)
Health (S. A.)	March	332 (1,559)	0.729 (0.0906)	3.7 (3.5)
Herringer Brks.	May	395 (270)	—	2.52 (2.1)
Jos Holdings	July	280 (1,994)	3.37 (2.71)	3.55 (3.7)
Kenoedy Smale	Mar.	700 (574)	12.16 (7.74)	3.5 (2.06)
Martlo (R. P.)	June	978 (524)	11.52 (3.66)	4.5 (3.0)
Meat Trade Plsrs.	April	483 (333)	— (—)	7.58 (7.73)
Norant Tea Hds.	Dec.	100 (111)	—	8.0 (10.0)
Press Tools	April	418 (346)	10.05 (8.72)	2.25 (2.25)
Prudential	April	2,310 (1,530)	18.0 (8.86)	5.44 (4.52)
Reliance Koltwr.	April	228 (350)	6.46 (5.66)	3.1 (3.689)
Restmor	April	1,550 (1,240)	26.65 (23.96)	4.0 (3.0)
5aville Gordon	April	1,610 (1,520)	12.0 (11.50)	4.5 (4.25)
SEET	April	1,400 (1,310)	18.39 (17.54)	1.9 (1.88)
Stewart Nairn	March	15 (101)	0.27 (1.16)	0.05 (0.15)
Vibroplant	Mar.	3,820 (3,170)	45.5 (33.82)	14.32 (14.02)
Worthington	Mar.	83 (213)	3.0 (3.56)	0.98 (0.589)

* All cash offer. † Cash alternative. ‡ Partial bid. \$ For capital not already held. 1 Combined market capitalisation. 2 Date on which scheme is expected to become operative. 3 Based on £1 suspension. 4 Estimated. 5 Shares and cash. 6 Unconditional. 7 Ordinary share alternative.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit £'000)	Interim dividends per share (p)
Alexander Hedges	Mar.	199 (165)	— (—)
American Tst. Co.	June	1,630 (1,340)	6.7 (6.6)
Barclays Bank	June	279,100 (246,000)	9.25 (6.88)
Baynes (C.)	June	208 (211)	0.4 (0.4)
Blagden & Nokes	June	2,100 (2,820)	3.0 (3.0)
Bridgwater Inv. Tst.	June	473 (421)	1.1 (2.0)
Bridgewater Ests.	June	467 (354)	4.5 (4.5)
Clay (R.)	June	510 (1,240)	3.0 (3.0)
Conder	June	334 (1,210)	1.6 (1.6)
Dufay	June	78 (208)	— (1.2)
First Scot Am Tst	Aug.	1,050 (814)	1.3 (1.2)
Gaskell Broadm.	June	314 (532)	1.0 (1.0)
Inter. Inv. Tst.	July	1,160 (918)	1.6 (1.47)
Judson Gp. Chrs.	June	1,740 (1,560)	2 (1.8)
L.A.S.M.O.	June	20,360 (2,800)	— (—)
London Brick	June	7,200 (3,070)	— (1.734)
Needlers	June	70 (165)	2.6 (8)
Ocean Transport	June	18,700 (6,000)	4.3 (4.04)
Reed Insurance	June	62,400 (57,000)	9.25 (8.25)
Sharp (W. N. M.)	June	10,800 (10,000)	3.0 (2.5)
Smith & Nephew	June	14 (3,500)	— (—)
United Glass	June	752 (608)	2.25 (2.0)
Whittingham W.	April	752 (608)	— (—)
Woodhse. & Rxsn.	June	396 (274)	0.9 (1.210)

(Figures in parentheses are for corresponding period)

* Dividend will be declared in October

Rights Issues

M L Holdings—One for three at 240p to raise £2m.

WITAN INVEST. CONVERSION

Holders of £147,600 nominal of Witton Investment Company 8 per cent convertible debenture stock 1986-89 have exercised their right to convert, at £100 of the stock into 20 fully paid ordinary 25p shares.

Application has been made for the resulting issue of 29,792 new ordinary shares to be admitted to the Stock Exchange official list.

The £813,500 nominal of the stock outstanding will be redesignated 8 per cent debenture stock 1986-89 as at the conversion date.

Mr. D. P. Lennon, chairman of supermarket group Lennons, told shareholders at yesterday's annual meeting that despite increased overheads and reduced spending power, preliminary results of the management accounts for the 13 weeks of the current financial year revealed an entirely satisfactory state of affairs with improved margins.

Unlike previous years, the group would not be faced with a November wage increase, he said, and as usual, it would expect the bulk of profit from its wines and spirits subsidiaries to arise from the Christmas trading period.

The combination of these two factors was expected to enhance the group's profitability.

But he was not prepared to make any forecast as to the eventual outcome of the year as a whole.

He said: "I have no reason to alter my statement in my annual report when I said another successful year is in prospect."

On August 5 the company opened a new supermarket at Stockland Green, Birmingham, and the chairman said initial indications were that it would make a useful contribution to the

Satisfactory progress at Lennons

period. The combination of these two factors was expected to enhance the group's profitability.

The opening of the new supermarket was scheduled for October 7 and this, he added, would make its contribution, he added.

Since the end of the financial year, a new off-licence had been opened in Solihull and the company was currently in the advanced stages of negotiating the purchases of seven wine and spirit stores in Yorkshire which, he added, would make it possible to take advantage of the Christmas trade.

The Association of Investment Trust Companies

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

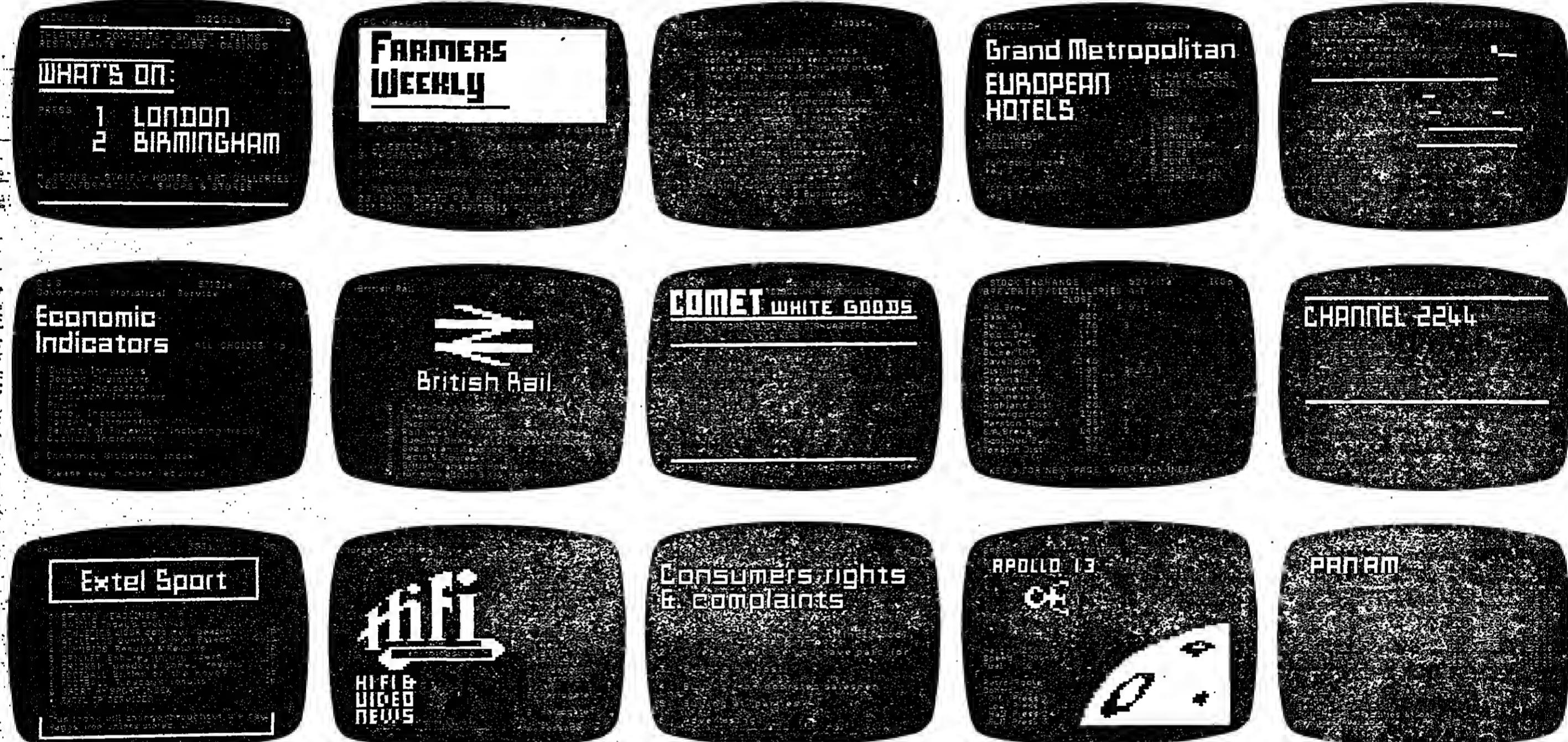
Total Assets less Current Liabilities (£ million)	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	Geographical Spread at 31st July 1980				Total Return on N.A.V. over 5 years to 31.7.80 (10) base = 100	Geographical Spread at 31st July 1980				Total Return on N.A.V. over 5 years to 31.7.80 (10) base = 100	
					UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %		UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %		
as at close of business on Monday 18th August 1980															
168	VALUATION MONTHLY	237	6.0	323	65	26	4	5	182	12	27	1	2	192	
142	Alliance Trust	182	6.2s	220	73	21	5	1	22	133	6.4s	183	70	22	188
16	Grange Trust	106	4.5	138	73	21	1	5	220	74	5.5s	99	63	31	166
82	Great Northern Invest. Trust	126	6.8s	166	80	8	1	11	26	71	6.				

FINANCIAL TIMES SURVEY

Saturday August 23 1980

Consumer Electronics

It is easy to dismiss new domestic technology as simply a plaything of modern humanity. But the impact of consumer electronics on employment, leisure and politics is already vast—and, technically, these are still very early days.



PRESTEL. TO SEE THE OTHER 150,000 PRESS A BUTTON.

The range of information that's instantly available on Prestel is immense.

In fact it would be impossible to even list its index on this page.

At this moment there are more than 150,000 pages on Prestel. They are updated and added to continuously by over 300 independent Information Providers.

Information Providers like British Airways and Pan Am.

They tell Prestel of their seat prices and flight departures.

Prestel can tell you what documents, visas and jabs you'll need to enter a country.

It can even take your hotel booking.

Back home, Prestel has comprehensive information to help everyone from accountants to farmers.

It's even linked to the Stock Exchange computer.

But Prestel isn't all work and no play.

It can tell you what's on at the theatre and where to eat afterwards.

And Prestel can give you the latest scores and results at major sporting events throughout Britain.

If you fancy a flutter Prestel has the latest odds and hottest tips.

And if they don't come in, Prestel has a repertoire of games to cheer you up.

Prestel's knowledge is so extensive and detailed, it can tell you what's happening half way round the world or just half way up the High Street.

And that's where you can buy or rent a Prestel TV. From local TV shops.

Installation is easy.

We simply connect the Prestel TV to your telephone line. So you can see Prestel and talk to Prestel.

The biggest thing since television.

Name _____

Address _____

Postcode _____ Tel _____

Home brochure Office brochure
Please tick

Peter Cook, Prestel Headquarters,
FREEPOST, London EC4B 4PP.



Prestel

PRESTEL AND THE PRESTEL SYMBOL ARE TRADE MARKS OF THE BT GROUP

CONSUMER ELECTRONICS II

A vast array of new gadgetry

WHEN THOSE first transistor radios became such conversation pieces in the late fifties we little realised that they presaged a tidal wave of domestic new technology.

Today's family may well wake to the gentle sounds of Radio Three at a time programmed the night before; a micro-hi-fi system bursts into life in a teenage room, blaring rock music with the power of a minor discotheque; the computerised washing machine slumps into action; holiday snaps (taken with the camera which seems all necessary adjustments come plopping through the letter box); electronic starting brings the car to life and its quartz clock reminds the driver of the time; last minute homework is checked by pocket calculator with more power than a forties computer; and the headlines are read off CeeFax-TV.

Today's suburban family has more muscle at its disposal than many a Victorian m'lord with his army of domestic staff. Electricity provided that muscle—now electronics are increasingly providing new ways of harnessing it.

It is easy to dismiss domestic new technology as simply a plaything of modern humanity. However, its impact on employment, leisure and politics is vast. Today's ease of communication has changed attitudes towards politicians, for example. The present emphasis on quartz watches is making an army of independent watch repairers redundant. Today's family is increasingly freed from domestic chores.

Although much of the current emphasis of domestic technology has been in the fields of entertainment and leisure, the ability of the consumer to move into areas of heavier equipment is one which is provoking both fascination and, politically at least, concern.

The contortions of the British Government over the introduction of Citizens Band radio is a classic example, and one which is almost certain to be repeated with cable television. A series of UK governments have been extremely reluctant to allow its

population access to the airwaves enjoyed in a great many other western, and some eastern countries.

Traditional control over all forms of broadcasting will be released with a depth of regret bordering on alarm. Thus, after years of delay, a frequency is offered for CB radio, which is, at best, an awkward one to use.

Governmental attitudes towards cable television have similarly been typified by delay and indecision, free market arguments being countered with lofty calls for "getting it right." It is, however, in cable television, probably allied to satellite transmissions, where consumer technology is poised to make a vast leap forward. It may seem a long way off, but remember that only 20 years ago most of our radios and TV sets still had valves...

Varied services

And yet CB radio and access to a larger range of information and entertainment via cable television and satellites between them only form the tip of the electronic iceberg, as far as the future is concerned.

The modest television set in the corner of the living room already provides access to a variety of teletext services and is about to offer much more. The domestic computer market is displaying remarkable growth, giving the consumer the ability to carry out complex mathematical tasks in his own home and also offering the prospect of accessing more sophisticated sources for further information and services.

The pace of change has caught Government and regulatory agencies on the hop. Part of the reason for a relaxation of Post Office control over domestic equipment is simply the fact that no one group can monitor the flood of services which are available and are likely to be so in the future.

There is no escaping from the fact that the array of electronic gadgetry which is on



The hi-fi price war has meant that the customer is almost overwhelmed with the choice of bargains and special offers on display. Above: a corner of one of Laskys 44 specialist hi-fi and video centres in the UK

consumers with useless equipment, and now similar disputes are threatening the development of video-cassettes and video-disc growth.

Fortunes will be made, and even greater fortunes lost no doubt. In these battles and it may be best for the consumer to steer clear for a while until the dust of battle starts to settle somewhat.

Big temptation

In some areas, however, the temptation is likely to be far too strong. Micro-technology is now showing itself in fairly commonplace pieces of equipment, vastly increasing their flexibility and making them hard to resist. In few areas has the invasion of this new technology been more obvious than in cameras, for example. Relatively inexpensive single lens reflex equipment today has a remarkable range of electronic power attached in order to take much of the guesswork out of the snap-taking game.

In the kitchen, the micro-

chip is beginning to make its power felt with an ability to read time, adjust temperatures and accept complicated instructions far beyond the capacity of good old timing clocks and mechanical temperature setters.

In the games' room that same technology has long passed its early days of television tennis and is now applying itself to complex leisure tasks and model control.

The tragedy at the moment is that while European consumers are so enthused about the products of the electronic age, European industry is less enthused about producing it. Military and space spending by the Americans gave the U.S. an enormous lead in micro-technology. And the Far East, notably Japan, has been able to translate this technology into consumer and industrial products.

While the range of Japanese electronic products is vast, the writer on this particular subject has to search hard for comparable items from Britain or mainland Europe.

Perhaps the most daunting thing about the whole business of consumer technology is that these are very early days. The thought that those door chimes could easily become a whole programmable orchestra is surely an alarming one.

Arthur Sandles

PRESTEL, the British Post Office's information service which is available via the ordinary telephone network, has been hailed as one of the most important developments in telecommunications during the 1970s. However, despite initial optimism that Prestel would be in common use this year, manufacturers are still not producing enough of the specially adapted television sets to sell to the public.

Prestel, which was first proposed ten years ago, allows the domestic television set to be connected to a giant computer, which offers a wide range of up-to-the-minute information on topics such as train, bus and airport timetables, theatre and cinema programmes and holiday guides. Other data include business and government statistics, education and various information services for the public.

Thus, a television set—once it has been specially adapted and connected to an ordinary telephone—becomes a computer terminal in Prestel's growing network.

At the moment, users only have access to information on the network, but eventually it may be possible for them to have their own data. Prestel could easily be used as the basis of an electronic mail service whereby subscribers could transmit messages to each other.

Already, the elements of such a system exist in the Prestel network. Each terminal has a calculator-style keyboard which could be used to send simple messages. In a complete mail system, an electronic typewriter keyboard could be incorporated, with all the necessary facilities for transmitting detailed messages.

The international telex system already allows users (particularly in business) to send written messages. The Prestel network could extend this to all of the Post Office's telephone users and it could be a far more sophisticated system.

For example, using a full typewriter-style keyboard, subscribers would be able to draft and correct messages before they are transmitted. On completion, these could be routed to their destination at the touch of a button. If the recipient was using his terminal at the time of transmission, the central computer would store the message until the terminal

was able to receive the message. A further extension of the Prestel system is the possibility of using the network to carry out electronic shopping and bill-paying. Travel agencies can already book holidays for their clients through the network. So it would not be very difficult to take this a step further to allow electronic mail order for other types of goods and services.

In Europe, each picture frame is made up of 625 lines, the electron beam scanning rapidly from top to bottom to complete each frame. Engineers initially used the spare scanning lines to transmit information—visible to viewers—about programme origination. Since ITV and BBC often shared the same transmitters, programmes were occasionally broadcast on the wrong channel and the new system prevented this, happening by giving each programme a label saying to which channel it is beamed.

It was soon realised that with a suitable receiver the general public could be allowed access to a new information system giving up-to-date news and other rapidly changing information.

Manufacturers have developed joint standards so that any receiver sold to the general public should be able to pick up both the broadcast system and the viewdata system via the telephone network. If a user has a receiver for Oracle and Ceefax, the only cost incurred is the capital cost for the equipment.

The recession and the uncertainty surrounding the domestic market means that for Prestel, at least, companies selling both the sets and services provided on the network have aimed their products at the business sector. As with home computers, the producers see this as the most lucrative market for several years to come.

The business sector is usually more prepared to buy the equipment during its initial years even though it is more expensive because the benefits of cost reduction brought about by mass production are not apparent.

But the consumer market, in contrast, is extremely cost-conscious and is not prepared to buy a television set equipped with Prestel if it is significantly more expensive than an ordinary set.

which are broadcast in the same way as the ordinary television service. In fact, they use the spare scanning lines at the top of the television screen, which are normally used to allow the electron beam, which forms the picture, to move from the bottom of the screen back to the top to begin its scan.

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Elaine Williams

Videotext systems offer wide scope

Fierce competition in the complex hi-fi market

TO THE average consumer the hi-fi market was complex enough even before the new developments in micro-electronic technology gave hi-fi manufacturers the opportunity to tinker even more with their sophisticated sound reproduction equipment.

For the manufacturers, in fact, the advances of new technology are essential to keep their production lines fully employed. Most hi-fi equipment has a life span of several years, if not longer, and it is therefore essential to persuade the consumer of the need to update his equipment as often as possible to produce that slightly better sound reproduction whose goal is the mark of the true hi-fi enthusiast.

Unfortunately for the hi-fi manufacturers, the Western world is now in the grip of an economic recession which makes even the most ardent hi-fi buff less enthusiastic about keeping up with every single modification in equipment. But the slump in the market has meant that price competition for existing systems has become even more fierce—almost overwhelming the be-guiled consumer with the choice of bargains and special offers on display.

But the real significance of the price war and technological developments is that hi-fi—or at least better quality sound reproduction—is being made available to a much wider audience than just the dedicated enthusiast. Not surprisingly, this

switch in consumer profile, however, has had a marked effect on the industry, is likely to continue throughout the 1980s.

Market research has shown that over the country as a whole nearly three-quarters of households own a record-player of some description, with homes in the Midlands and East Anglia recording the lowest figures among the regions. By social class, however, there is a distinct bias towards the higher socio-economic brackets. Well over 80 per cent of households in the AB, C1, and C2 socio-economic groupings own record-playing equipment, compared with under 60 per cent in the D and E groups.

Ownership of record-playing equipment also varies with age.

Music centres, however, are widely acknowledged within the trade to have reached a plateau in terms of sales, with growth now coming almost entirely from the separate equipment sector.

There have been two main technical factors which have speeded the growth of the separates market. First, there has been the development of hi-fi racking systems in the past two years which, according to Mr. Peter Klein, managing director of Laskys, "has satisfied the need for equipment which combined the quality of sound reproduction and flexibility of hi-fi separates with the convenience of music centres."

Matching systems

The major manufacturers have been more willing than in the past to make it easier for the customer to buy a whole range of compatible equipment without the need for understanding the technical requirements of matching systems.

This means that the days of virtually needing an electronics degree to wire up the various components of an audio system have been replaced by much simpler link-ups. And the provision of storage racks for the separate equipment has made such systems more appealing for use in the ordinary living room.

The second major factor has been the development of micro-technology, which has enabled the equipment to be made much smaller. These systems, points out Mr. Klein, "have met the demand for space-saving equipment in smaller homes and have appealed particularly to the design-conscious female sector of the market."

It is perhaps surprising that making hi-fi equipment more appealing to the average consumer has not happened before. This was probably because the specialist hi-fi end of the market was dominated on the one hand by small independent retailers and on the other by very knowledgeable enthusiasts. In fact only one retail chain of any size which concentrated solely on hi-fi has developed and even that chain, Laskys, until recently did not have a particularly good image for the average consumer.

However, Laskys was last year acquired by the Ladbrooke group, which injected in new management from another of its subsidiary companies, Hardman Radio. Hardman had been built up from its Liverpool base

entirely from scratch by Peter Klein as the separates/audio market began to develop in the early 1970s. Mr. Klein's trading philosophy was that all sales staff should be fully trained in the use of the audio equipment sold, so that the best equipment for the customer's needs could be provided. In a new and complex market, he realised that it was vital to win the consumer's confidence in the sector.

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CONSUMER ELECTRONICS III

The home video revolution is well underway

IT IS now possible to watch The 39 Steps or The Lady Vanishes in your own home for less than the cost of taking the family to the cinema to see the same film. These movies are not old re-runs on broadcast television—the original 1935 black-and-white versions of these famous titles, but the more recent colour re-issues. They are just two of nearly 1,000 titles currently available in Britain as pre-recorded videocassettes. In this example on hire for three days at £5 or available for outright purchase at £29.95.

The homevideo revolution, although only starting in earnest two years ago, has arrived—as many hi-fi and television shops will reveal in their window display. Videocassette recorders, originally costing over £750, can now be bought, if you go to the right shops, for as little as £339. More expensive and elaborate recorders may still be priced at nearly £700, but with these come an extraordinary range of facilities.

Recent surveys reveal that most people now do know what a videocassette recorder is; but there are still enough around who don't know, and many more who fail to completely appreciate just how much this versatile machine can do.

Facilities

For a start, it can record broadcast television programmes on to magnetic tape for later replay via any domestic TV receiver. It is not necessary for the television set to be switched on when the recording is made; the videocassette machine works independently of the TV receiver during recording and only needs an aerial. Alternatively, you can watch the TV set on any channel while the recorder is silently doing its job recording another channel.

The cassettes can be re-used for other recordings. But if you wish to keep any precious recording and have younger children in the house who have other ideas, a small plastic tab on one side of the cassette can be broken off to ensure that the recording functions on the machine will no longer operate with that particular cassette. (If you change your mind later, a piece of Sellotape stuck over the aperture will re-engage the recording controls when the cassette is used again.)

Most domestic videocassette

recorders now offer up to about three hours' recording time on one cassette, but the recently introduced Philips V2020 gives eight hours—four down one half of the tape, four on the other half when the cassette is turned over. All domestic VCRs, as they are commonly called, incorporate pre-set time controls for automatically switching on the recorder. Obviously this facility is invaluable for catching television programmes when you are out. More recent machines allow the user to pre-select the switch-off time, too, or to select a whole series of on/off times and channel changes up to 10 or more days in advance.

Used in this way, as a "time shift" machine, the videocassette recorder rapidly becomes as essential a luxury like the refrigerator: after experiencing the convenience it becomes difficult to conceive of life without it.

A minority of videocassette owners also hire or buy movies on cassettes, even though many of them can be recorded from TV by a little advance planning. But clearly all domestic recordings made off TV are illegal, breaching the copyright vested in that material (even if intended only for private use). Those who wish to achieve the unusual or unique distinction of staying within the copyright laws must buy or rent their programmes and use the recorder for educational material only (which has special dispensation). Alternatively, it can be used with a video camera.

The latter is slowly replacing the super 8mm movie camera. Connected to a video-cassette recorder it becomes extremely easy to shoot colour recordings on inexpensive cassettes for instant replay. The quality, even with relatively low price domestic video cameras, is surprisingly good. But a "relatively low price" is still a few hundred pounds, at least £600 for a good colour camera.

None the less Granada TV Rental has now started to provide video cameras on hire and in the future more weddings will be shot on video than super 8mm film.

Next year the British public will be able to buy another innovation extending the use of the television set—the video disc player. This is to the video-cassette recorder almost exactly what the hi-fi record player is

market. The latter is slowly replacing the super 8mm movie camera. Connected to a video-cassette recorder it becomes extremely easy to shoot colour recordings on inexpensive cassettes for instant replay. The quality, even with relatively low price domestic video cameras, is surprisingly good. But a "relatively low price" is still a few hundred pounds, at least £600 for a good colour camera.

This enthusiasm has spread outside the professional electronics field and many shops have opened, particularly in the U.S., which sell nothing but personal computer systems. While catering for the domestic

market, most companies place greater emphasis on selling to the small business sector since this will be the main market for several years to come. In the U.S., Byte Shops—named after the term for eight bits of computer data—are strong in the field. Radio Shack is another chain store with over 7,000 outlets world wide.

In the 1970s electronic engineers and computer programmers, with their expert knowledge of computers, became interested in computers as a hobby. They had the opportunity to learn about them and even build their own. It was the advent of cheap electronics—and in particular the microprocessor, the computer on a chip—which allowed scientists to indulge in this hobby. Soon kits were available with all the parts needed to make computers.

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Enjoy giant screen viewing with a projection system that gives a six times larger colour picture than the biggest conventional set. The screen can be mounted on the wall, or on a stand supplied—and the receiver which houses the projection lenses glides smoothly on castors that can be locked in the correct position. An infra-red remote control unit, incorporating a quartz clock, gives finger-tip control of all the main operating functions, including picture and sound adjustment. Hi-Fi sound is reflected directly from the screen.

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where reception was had. In the U.S. it has grown into a major industry offering a wide choice of alternative programming, including the very latest movies (fall for a price, of course).

Agreement

Cable TV in the UK is still a small business, effectively confined to the relay of existing programmes from BBC and ITV. But the Government has now agreed to allow the UK cable operators to introduce what has been called Pay-TV (subscription TV is the term preferred by the industry). For some 21m viewers already connected to the cable in UK, this means that an additional channel may

be offered to some areas—carrying regular screening of feature films—in exchange for a monthly subscription fee.

But only 4m homes in UK are within the reach of cable TV systems and it is unlikely that the American cable explosion will be repeated here.

Even more dramatic are the stories of domestic satellite TV reception, with the prospect of European countries beaming in TV services to British viewers—a recipe for political and commercial panic and good for a few headlines. But what these stories fail to say is that every viewer will need a special satellite dish aerial at least one metre across; that this must be located in direct line of sight

with whichever satellite the viewer wishes to receive; and that the dish aerial must be lined up to the satellite with an accuracy of about two degrees—way beyond the current capability of aerial installers. And where do you mount this large dish so that it has an unobstructed view of the satellite?

With the fourth television channel due in 1982, video-cassette recorder sales matching the early statistics of colour TV sales, and video discs arriving next year, the home viewer may well have more than enough products competing for his time.

John Chittock

Growing market for small computers



The new ZX80 full-facility personal computer from Sinclair Research is priced at £99.95, including VAT. The computer is also available in kit form at £79.95. Both prices include a comprehensive 100-page manual containing a complete course in basic programming. The computer weighs 12 oz.

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A large number of companies manufacture personal computers—many of which are professional models cut down to personal size. True business applications and domestic uses often overlap. However, three leaders seem to have emerged in the home computer market.

One is Apple Computers, set up in 1976 by computer en-

thusiasts Mr. Steven Jobs and Mr. Stephen Wozniak. These two young men began their business in their entrepreneurial days in a garage.

Rising sales

When they started manufacturing a hobby computer demand became so great that they decided to put their activities on a more professional footing. They sought highly skilled managers such as Mr. Mike Markkula, who became chairman of Apple's board.

This year the company expects sales to reach £75m with over 100,000 of its computers sold throughout the world. Its headquarters are in Cupertino, the centre of the U.S. "Silicon Valley" near San Francisco.

Recently, the company set up a factory in Cork, Ireland, to assemble computers for the European market.

Apple is competing against Tandy, another U.S. company, which claims to be the largest seller of personal computers with about 200,000 sold worldwide. Tandy, which runs the Radio Shack chain stores in the U.S. (but known as Taody in the UK) was mainly a manufacturer and distributor for radio and hi-fi equipment.

But in 1977, following the collapse of the Citizen's Band radio craze in the U.S., it decided to develop home computers. The company believed that this would be the next major growth sector for domestic electronics.

The basic system, sold initially in the U.S., cost \$600; an improved version was \$900. In general, personal computers can cost anything between £500 and £2,000 while an average business system would cost £8,000 to £10,000.

The third main competitor in this field is Commodore, makers of calculators and digital watches. The company was one of the first to sell calculators, and as a veteran of the price cutting wars which occurred during the mid-1970s, Commodore decided to price computers as low as possible from the beginning.

Mr. Clive Sinclair, who recently set up Sinclair Research, has also developed a small computer costing less than £100 which, by some, is suitable for "beginners".

Already a large number of programs have been written for personal computers and a host of specialist magazines give advice and information about operating them. These include Personal Computer World, Educational Computing, Interface Age and a magazine well known in computing circles, called Dr. Dobbs Journal of Computer Colloquiums and Orthodontia.

Elaine Williams

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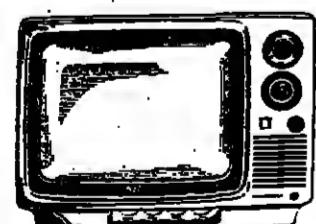
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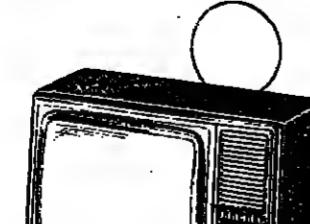
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CONSUMER ELECTRONICS IV

Games market faces tough challenge

THE ELECTRONIC toys and games market, which has been the fastest growing sector of the toy industry in recent years, will be facing its toughest challenge this Christmas. Few toy retailers are optimistic about the general level of sales this year as the economic recession gathers pace, even though parents traditionally give toys for their children a relatively high priority even when times are hard.

It is also true from past experience, however, that in times of recession it is traditional toys that are most in demand since these are seen to represent value for money. Thus many retailers fear that the newer electronic video toys may be passed over in favour of more traditional — and understandable — toys.

Other retailers, however, argue that electronic toys have taken such a hold of the market that sales will not suffer too badly this year. But they do suggest that it will be the established electronic video toys that will benefit most, rather than some of the new and more sophisticated games now on offer.

It is only a few years, however, since even the most basic "ball and paddle" games were being hailed as technological wonders. The history of electronic video games, therefore, really mirrors the rapid advances made in micro-technology throughout the 1970s.

Early stages

The U.S. company Magnavox (now owned by Philips) introduced in 1972 what is generally believed to be the first consumer electronic video game in the U.S. The game was basic and compared unfavourably with the relatively more advanced games being displayed in both the U.S. and UK in amusement arcades and pubs. The commercial games, however, cost several hundred pounds and were fairly bulky because of the considerable amount of circuitry needed.

In 1975 General Instruments of Scotland developed a single integrated circuit or "dedicated chip," which incorporated all the features of the arcade games but were much smaller and cheaper. The circuits are a tiny sliver of silicon, less than the size of a tea-leaf, on which a micro-electronic circuit has been etched.

The early games, which

carried a variety of ball-sports with sound effects and on-screen scoring, retailed at between £30 and £50. But in 1976 and 1977 the UK market was flooded with games from the Far East where production costs were lower and where the same circuits used in performance.

Prices fell quickly, which meant consumers who bought a game at £40 quite often saw the price drop by half or more within a few weeks.

Subsequent developments in micro-electronics resulted in a new generation of video games being developed in the U.S. and Europe. These new games are based on microprocessors — which are virtually tiny computers — rather than a single integrated circuit.

Thus instead of having a range of games built directly into the console, the microprocessor can be programmed to take different games simply by inserting a different games programme contained in a small cartridge. This saves duplication of the basic hardware — such as colour circuitry and hand controls — while allowing unlimited scope for different games to be played.

The undisputed market leader in these programmable video games is the "Atari Video Computer" which has the largest range of games — including the hugely successful "Space Invader" game — and is the most popular model. It is also the most expensive game on the market, although it can be bought for around £120, plus £16 each for the simpler games cartridges.

The main rival to Atari's game is Philips' new "G7000 Videopac Computer." Although this is different to the Atari and other models in that it has a keyboard console as well as remote control terminals, it still provides basically the same games and tests of skill (such as mathematical puzzles) available on the other models.

The other two major programmable games are the "Grandstand Video Entertainment Computer" and the "Intertron VC 4000" model. Although the Intertron has the fewest games cartridges available, it is the cheapest of the programmable games, selling at about £80 plus the cost of cartridges.

The simpler integrated circuit games can still be bought for under £10 and there are some simpler versions of the more sophisticated programmable games.

Carries a variety of ball-sports with sound effects and on-screen scoring, retailed at between £20 and £30.

At the top end of the electronic video market are the traditional board games — such as backgammon, chess, draughts, and bridge — which, with the aid of a microprocessor, enable one person to play against the computer. For enthusiasts who can never find enough opponents, such electronic games can be a godsend. Not surprisingly, however, these games are not cheap — though they are still among the most popular.

The Bridge Challenger, for example, costs around £300 and the Backgammon Game about £150. The various chess games range in price and level of difficulty from about £60 to £250. The more expensive version gives the computer, called Boris, a voice who gleefully calls out his moves and potential checkmates.

It is at the bottom end of the market in terms of price which has seen the most new products launched over the past year. At

first sight the market looks very confusing, but in fact there are several distinct types of toys and games, each appealing to a particular sector of the market.

Educational use

First there are the "teaching" games. While many electronic toys have an educational role, albeit unwittingly, there are several that are more obviously aimed at teaching through play. The "Race Teacher," for example, is programmed calculator in the shape of a racing car which sets maths puzzles of varying degrees of difficulty — at a cost of around £15. A similar maths game is the "Little Professor" and there is also the "Spelling Bee" game which is aimed at helping youngsters improve their spelling.

Secondly, there are the games that, although educational as well, are really games of logic that appeal to all age groups. "Electronic Mastermind," for

example, is a version of the popular game introduced a few years ago but which allows one person to play against the computer instead of a real opponent.

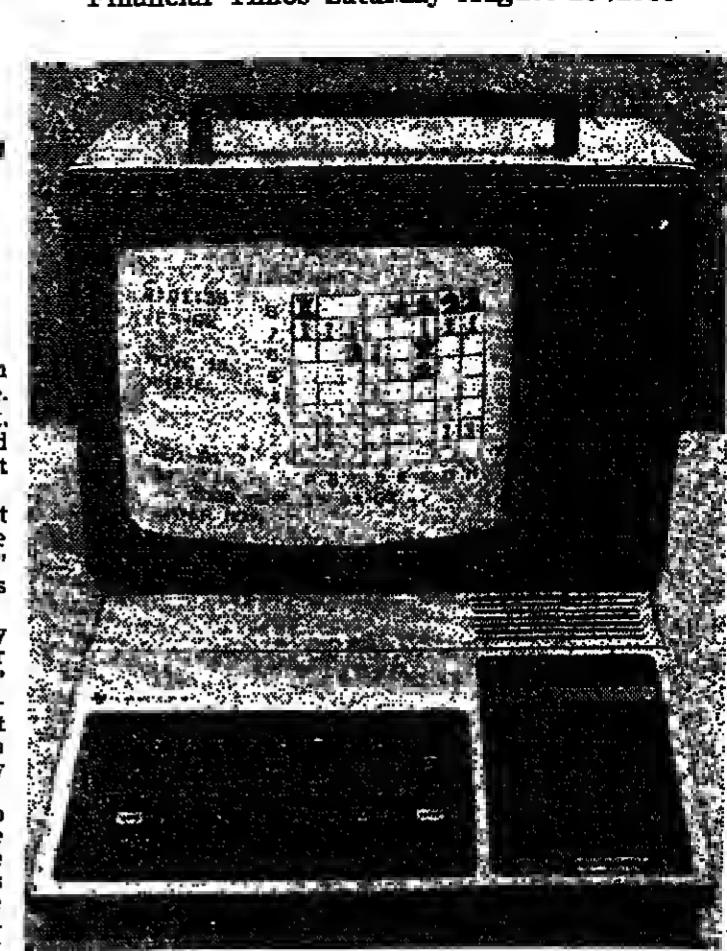
"Merlin," which also sells at around £20, works on much the same principle as "Simon" but has a greater variety and is more suited to solitary play.

Finally, there are the strategy games such as "Computer Battleship" and "Intercept." Both utilise electronic technology to inject more interest into games that are largely a matter of tactics and strategy between two players.

Probably the main rule to remember before entering the electronic toys jungle is that the most technically complex games are usually the most expensive as well. Both price and complexity march hand in hand but it pays to shop around since prices can vary quite considerably.

David Churchill

Video Chess: first class graphics are indicated here on the new Video Chess command module for Texas Instruments' versatile home computer



Trend towards a small, small world...

THE TRENDY accessory for joggers / skiers / loungers or cyclists this year is the Sony Stowaway, still available in Britain at £99, but reportedly outstripping even Sony's ability to produce in other markets. The Stowaway is the smallest portable stereo cassette player yet, and it has proved a remarkable seller. But then it has a remarkable performance — its lightweight headphones allowing you to listen to either Bach or The Clash in the bus queue without upsetting neighbours who may not share your musical tastes.

The Stowaway is just another, if particularly notable, example of a long line of micro-technological items which are currently flowing from the world's drawing boards. Cameras, radios, hi-fi, tape recorders, clocks, watches and calculators are all reducing in size and increasing in performance. Radios no bigger than cigarette packets and television sets the size of cigar boxes are becoming commonplace. But is small always beautiful?

In many fields the size of the equipment is dictated by factors other than the basic need to pack as much electronic hardware as possible into a given

space. Recorders must be at least large enough to accept a tape cassette; radios have to be of sufficient proportion to allow the use of earphones; cameras cannot get very much smaller so long as 35mm film remains the favoured medium for real enthusiasts. Perhaps the most vivid example is the pocket calculator, whose size now is dictated by the dexterity of the average human hand rather than the ability of designers to produce something smaller.

Micro-electronics have therefore in many areas turned size into a design feature rather than a manufacturing necessity. Modern calculators are the size they are because that is the size the manufacturers have found most popular.

Things move so quickly in this business nowadays that any return to the marketplace reveals a new abundance of products. Having had a small but aged, shortwave radio set stolen from a hotel room recently I sallied forth to buy a replacement (such is the penalty of addiction to World Service) only to find today's sets are smaller, prettier, much more powerful and are equipped with

such magical, and seemingly inevitable, accessories as timers and alarms.

My Florida hotel thief must be quite disappointed to find himself with something quite so heavy and antiquated.

Even apart from shortwave radios miniaturisation has proved a considerable boon to the traveller. This is particularly true in the case of the dictating machine and the calculator. The real breakthrough with dictating machines came when Olympus launched its Pearlorder micro-cassette system. Now selling at a sufficient pace to justify the luxury of television advertising, the Pearlorder, which retails from between £70 and £300 according to how sophisticated you want the basic machine to be and how many accessories you choose, has provoked a legion of competitors.

At once the Pearlorder's advantage and disadvantage is its use of micro-cassettes rather than the full sized audio-cassette originally designed by Philips. At the moment this reduces the flexibility of tape usage — you can't interchange your domestic hi-fi cassettes with the Pearlorder ones — although there are whispers of a substantial swing to micro-cassettes in some countries, a financial

one as well.

Batteries are not a problem with another area which has attracted miniaturisation — domestic hi-fi. Here the power comes from the mains — the drive towards smaller equipment from a need to get rid of the lumbering hardware of traditional hi-fi which takes up too much room in today's somewhat modest domestic settings.

The portable dictating machine is a consumer minefield. Once you start to get away from the household brand names you have to tread an extremely dangerous path. If there is any advice that can be given with so many products on offer it can only be to buy nothing on impulse. Remember that there is usually a good (or bad) reason for drastically reducing the price of something; and that the prime guideline is the ability of the equipment to do the job you actually ask of it.

One particular area of use which is difficult to check in a shop, for example, is battery life. Mechanical things, such as tape decks, consume vastly more power than electronic ones like calculators and clocks. One of the easiest ways for a designer to cut down the size of the equipment is to reduce the battery space. For the consumer, however, that sort of economy can prove a practical disaster and, knowing the price of batteries in some of them just a passing fancy. Now that the consumer electronics industry has become almost as much a fashion business as the clothing trade the one thing we can predict with certainty is that the miniaturisers will continue to assault us with novelty.

count prices. If you want a dealer who takes an interest and makes a fuss of you then expect to pay more for the privilege.

The fact that these microsystems have not in fact swept the market-place completely indicates the way in which novelty is not necessarily the quickest route to consumer demand. These small systems are said by some to be too fiddly to use and, for once, it is big that is really beautiful.

It may be therefore that in many fields we have reached the point where things will not get smaller, whatever wonders are produced in the laboratory. What does seem inevitable, however, is that into the box of tricks that used once to contain just a radio, or a television set, will power more and more facilities, some of them useful and some of them just a passing fancy. Now that the consumer electronics industry has become almost as much a fashion business as the clothing trade the one thing we can predict with certainty is that the miniaturisers will continue to assault us with novelty.

Arthur Sandles

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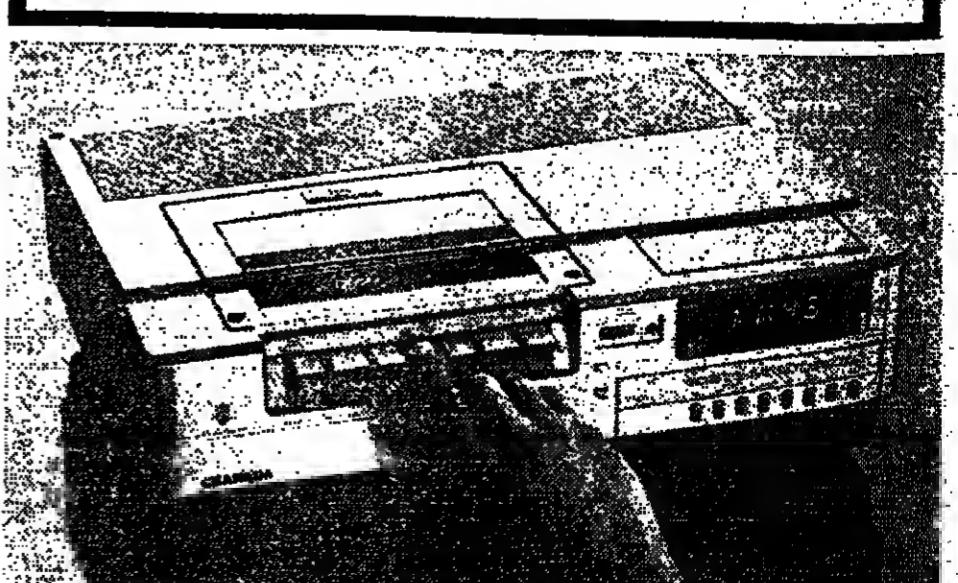
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LONDON STOCK EXCHANGE

Quiet but firm close to pre-holiday trading session

Index up a point at 498.9 for rise of 15.1 on week

Account Dealing Dates

Options
*First Declara. Last Account Dealings tons Dealings Day Aug. 11 Aug. 23 Aug. 29 Sept. 8 Sept. 11 Sept. 12 Sept. 13 Sept. 15 Sept. 25 Sept. 26 Oct. 6
" New time" dealings may take place from 9 am two business days earlier.

Equity markets yesterday managed to consolidate the useful advance made over the previous four trading days despite an even more noticeable lull in activity as the long Bank Holiday weekend approached. The FT Actuaries All-Share index extended its high since compilation by 0.3 per cent more to 290.00—up 2.2 per cent on the week.

Industrials generally edged a little higher, but the day's business centred chiefly on the Electrical sector in which leading firms recorded further good gains. Various adverse rumours concerning the American hostages held in Iran caused a little uncertainty at the opening. This was reflected in the FT 30-share index which recorded a loss of 0.3 at the 10 am calculation. But a small amount of selective support developed at the lower levels and the index picked up to finish a point firmer on balance at 498.9 for a rise of 1.31 on the week.

Merchant Banks up

Apart from the continuing demand for Electricals, trading was featureless and few exceptional firm spots emerged. On the other hand, Midland Order shares were unsettled by the troubles at John Myers the UPS subsidiary, which is being sold to Great Universal Stores.

British Funds remained well in the background. Overall consideration of the record Public Sector Borrowing Requirements in the first three months of the financial year prompted a slightly easier trend which left medium- and longs around 1/2 lower.

Business, however, was sufficient to test nerves.

The activity in Electricals was reflected in Traded options with Baez contributing 22% of the total 984 deals. Also to demand were Lenrho and Marks and Spencer with 135 and 115 trades respectively. The week's daily average amounted to 886.

In recent issues, Charterhouse Petroleum attracted further strong support and put on 4 for a two-day gain of 9 to 88p, after 90.

Merchant banks provided the

main movements in an otherwise lethargic banking sector. Renewed investment support prompted rises of 7 and 10 respectively in Arbitrand, Latham, 20fp, and Brown Shipley, 365p, while Keyser Ullmann added 4 to 85p to hit Hambrs, 562p. Hires Purchases were occasionally better with Provident Financial outpacing a gain of 4 at 140p.

Pearl continued firmly in Insurances, rising 4 more making a gain on the week of 34 to 430p ahead of Wednesdays' interim figures.

Breweries attracted a useful two-way trade and closed with modest gains. Bass firmed a couple of pence more to 230p, while Greenall Whitley added a similar amount for a two-day rise of 11 at 222p. Wines and Spirits were featured by Distillers which rose 6 to 21p in response to the chairman's confident annual review.

With the notable exception of Blue Circle, which dropped 10 but held a week's net rise of 8 at 372p ahead of next Wednesday's half-yearly results, leading Buildings closed steady to firm.

John Laing A put on 3 to 85p and Fairleath Construction 2 to 19p, a 1980 peak of 75p, the latter ahead of next Tuesday's interim results.

Among Householders, Gonghoor firmed 3 to 10p, but Ward Holdings stood 2 to 12p on the interim statement. Brown and Jackson and Wilson (Connolly) added 4 aneice to 130p and 10p respectively, while A.C. Groun improved 11 to 39p.

Elsewhere, Benford Concrete Machinery closed a benny chearer at 41p, after 38p, the gloomy statement overriding the increased interim profits. Gains and Dandy A had a nenvy in 17p on the lower half-year earnings.

Mail-orders dull

Down 8 on Thursday on the downgrading by analysts of second-quarter profits due to a announced next Thursday, TCI opened a couple of pence higher at 363p but slipped 10 at the overnight level of 362p. Other Chemicals closed narrowly mixed.

Appareto hardened 2 to 101p, but Castrol, still reflecting the interim loss, shed that much in 48p for a fall on the week of 15.

Wimbleton revived with a gain of 13 at 130p and Allied Colloids improved a couple of pence to 110p, but Yorkshire Chemicals shed a nenvy to 180p for a two-day gain of 9 to 88p, after 90.

Merchant banks provided the

A well-matched institutional business was transacted in Store majors and movements were usually restricted to a penny or two either way. Raybeck annual results next Friday, added 2 for a two-day rise of 5 at 70p, but Gussies A shed a couple of pence to 460p on further reflection of the John Myers deal with UDS, a penny cheaper at 70p. Other mail-order concerns also treaded to lower levels with Empire and Freemans easing 4 to 160p, and 125p respectively, while Grafton Warehouses dropped 6 to 62p. In contrast, a revised speculative demand was noted for Polly Peck's 8 firmer at 100p, while Wednesdays' woeful annual meeting helped Cope Sportswear, 4 better at 17p. The increase in full-year profits left E. O. Boardman 11 dearer at 61p. Lee Cooper met profit-taking and shed 5 to 162p, still up 17 on the week. Recovery prospects continued to buoy Harris Queensway, 8 up at 164p, and Bambers 4 firmer at 52p.

Investment buying was again evident in Electricals, the busiest of the equity sectors. GEC were particularly active and rose 8 for a gain on the week of 26 at 512p. Radial advanced 10 more to 301p, while Thorn EMI picked up 8 at 372p. Secondary counters remained firm but rises were of smaller proportions than of late. Electrocomponents added 5 to 250p, while Lins support lifted W.K. Electric 8 to 210p. Telephone Recofals closed 6 higher at 275p, and Security Centres continued a buoyant market on the recent results, rising 5 for a week's jump of 17 at 56p. News that the company is to resume full-time working at the beginning of next month helped Fidelity Radio, which leapt to 214p before settling for a net gain of 8 at 41p. A.B. Electronic hardened 2 more to 190p, but Unitech, 343p, lost 5 of the week's 10 gain of 21 following the chairman's profits warning in his annual review.

Still buoyed by the announcement that compensation has been settled for the unquoted securities of British Aircraft Corporation at 195p, Vickers rose 4 for a two-day advance of 9 at 135p.

Elsewhere in Engineering, John Brown encountered profit-taking and eased a penny to 65p but retained a Press-espoused rise of 9 on 20. A friendless market of late, Wolsley Hughes sprang to life as buyers appeared and the close was 14 higher at 247p. Mining Supplies put on 3 more to 149p on renewed speculative support, while Martonair continued firmly at 207p, up 5. Comment to the results helped Saville Gordon edge forward a peony more to 38p but AI Industrial Products fell 2 to 15p in reaction to the interim dividend emission and first-half deficit. MLL Holdings, at 350p, lost 5 of the previous day's jump of 37 on the optimistic statement which accompanied details of the group's proposed £2m rights-issue.

Buying ahead of next Wednesday's preliminary results left Associated Dairies 6 dearer at 214p. Other leading Foods, prominent of late on institutional support, held steady as the emphasis switched to selected secondary issues. Buying in a market more too-well supplied with stock lifted Hawkewood's 5 100p, while Linfield became a good market and added 3 to 165p. Meat Trade Suppliers put on 2 to 54p following an investment recommendation, while Joseph Stocks rose 6 to 100p on buying ahead of next Tuesday's preliminary results.

Amoog Hotels and Caterers, Ladbrooke, interim results next Wednesday, firmed 3 to 165p.

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FINANCIAL TIMES

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MAN OF THE WEEK

Defending the right to seek changes

BY CHRISTOPHER BOBINSKI

THE MORE enlightened among the Polish security men who sat in Mr. Jacek Kuron's three-roomed flat in Warsaw on Wednesday afternoon, arresting anyone who came in, must have realised that their action was more symbolic than practical. By arresting Mr. Kuron and some of the other members of the dissident KOR social self-defence committee, the authorities were in no way making agreement with striking workers in the Baltic ports of Gdańsk and Szczecin any easier. And, indeed, the strike movement is now so strong that the detention of those the country's Communist leadership is saying are responsible for the trouble can do little to weaken the workers' resolve.

And while KOR is not running the strike in the northern port towns, the stamp of KOR thinking is clearly discernible both in the political demands the strikers have put forward and the care they are taking not to be provoked into violence. One of the fears that has haunted 46-year-old Mr.

Kuron, a leading member of the group set up in 1976, is that the mounting discontent in the country should at some point erupt into a popular revolt which would end in bloodshed.

Harassed and victimised but nevertheless permitted to exist, KOR stayed at best over the years a pressure group for the defence of human rights made up of at most a few hundred mainly young people. Nevertheless, the past four years of persistent activity producing statements which were later broadcast back to Poland by Western radio stations, duplicating texts and distributing them, helping people in need, and popularising the idea of independent trade unions, has had its effect. Mr. Kuron, one of the most influential and energetic members of the group, learned about the nature of the system when he was himself a senior member of the Communist youth movement in the 1950s.

Throughout those years and during Poland's October 1980 liberalisation, he stuck to his conviction that changes could be brought about by working through the system. His ideas evolved, however, and in 1984 he wrote, along with Mr. Karol Modzelewski, a young historian, *An Open Letter to the Party*, which predicted a working class overthrow of the party democracy and the introduction of real socialism. This thesis which was eagerly taken up by Trotskyists in Western Europe earned him and his co-author a three-year prison term.

He emerged in time to play a part in the short-lived student demonstrations in March 1988, which put him back into prison for another three years. It is a tribute to his courage and stubbornness that he came out in 1971 still determined to change society but with few illusions that Marxist ideology had anything constructive to offer. But again it is a measure of his realism that his deep conviction that no society can function without freedom for people to organise and express their opinions, was moderated by the consciousness of the limits to Poland's freedom of action, imposed by the Soviet Union next door.

Mr. Kuron's and KOR's role was summed up on Thursday by Mr. Leeb Walesa, one of the Gdańsk strike leaders.

"By their courage in the past, they showed us how to organise and peacefully work for our rights," he told an applauding conference hall at the Gdańsk shipyard. "We can't let the authorities destroy them."

U.S. consumer prices steady

BY DAVID BUCHAN IN WASHINGTON

AMERICANS' COST of living, as measured by the consumer price index, did not rise in July, the Labour Department reported yesterday. But Government economists immediately warned that fresh increases were in the pipeline.

The halt to the rise in the index resulted from a 5.7 per cent decline in mortgage interest rates reported last month, which cancelled out increases in food and other prices, leaving the index unchanged from the June figure. It was the first time in 13 years that the index showed no increase.

Economists said food prices, which rose 0.9 per cent in July, were likely to continue their upward trend, while mortgage rates are on the rise again.

Administration officials warned that housing prices and mortgage rates have a distorting effect, because they are given a large (26.5 per cent) weighting in the index. An additional quirk is the time lag before mortgage rate changes show up in the index. The decline that so depressed the overall July figure is based on mortgages negotiated in early June, the Labour Department said yesterday.

The July inflation figures were very welcome for President Jimmy Carter, who will be quite happy to let the electorate have the impression that his Admini-

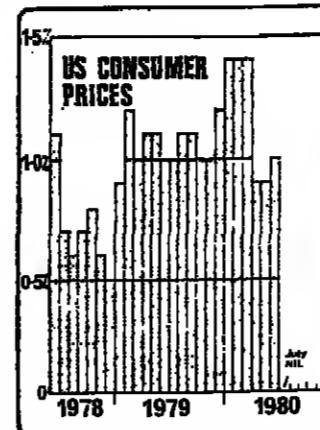
stration has briefly stopped inflation dead in its tracks. His campaign against Mr. Reagan, the Republican challenger, opened in earnest this week on foreign policy and defence issues. But all are agreed the main battleground in the election will be the economy.

However, the Administration might find it awkward if Congress chooses to interpret the July stability in the Consumer Price Index as a green light to approve quickly a general tax cut for 1981.

The White House has argued that tax proposals should be left until next year, when inflation has been brought under more permanent control. Yesterday the Senate Finance Committee finished initial work on a \$39bn (£16.5bn) tax cut for 1981, though it is doubtful that this would pass the full Congress this year.

Americans who have not recently taken out mortgages would not have found prices any lower last month. Food prices increased quite sharply because of the effects of the recent drought in much of the U.S. Clothing, medical care and transport were also more expensive.

In the last category petrol prices did decline after seasonal adjustment, although by less than in May and June. Oil companies have been cutting prices



because of high stocks and low consumption.

In the past six months overall consumer prices have risen at an annual rate of 11.3 per cent, with the July figure bringing a marked decline in the increase. However, the Administration is aiming to bring inflation down to an annual rate of around 8.5 per cent in the second half of this year.

Before July, the Consumer Price Index rose by 0.9 per cent or more every month for 18 months. The June increase was a full 1 per cent.

David Lascelles adds from New York: Jubilation on Wall Street at the inflation news was sharp but short-lived. The zero figure was a lot better than had been expected, and this gave the stock and bond markets an early lift. The Dow Jones Industrial average levelled out eight points higher by noon, but bonds then retreated slightly.

As the latest wholesale price index showed last week, large increases in food and other wholesale costs will be finding their way through to the consumer price index in coming months.

Goldsmith share dealings probed

By Christine Moir

THE DEPARTMENT OF TRADE is investigating a complaint that Sir James Goldsmith has been in breach of section 27 of the Companies Acts by not disclosing share dealings in Generale Occidentale.

Although Generale Occidentale is a French company, it is also the ultimate parent of Cavenham, the UK-based food retailing and distribution group, which still has preference shares quoted on the London Stock Exchange.

Under UK company law,

which is believed to have

songht exemption from the

disclosure provisions under a

rule which relates especially to British companies wholly owned by foreign companies.

The complaint now being

investigated by the DoT

alleges that the exemption

does not apply in the case of

Cavenham, which continues to

have outside British share-

holders of preference shares

even though GO holds all the

ordinary capital.

The DoT's investigation is

not yet complete, but it has

already become outdated by

events. Sir James and a

number of other directors of

GO who also held board seats

at Cavenham resigned from

Cavenham at the end of July.

Meanwhile in New York Sir

James and a number of other

directors of Basic Resources

International, is defending a

civil court action based on

allegations of breaches of

similar provisions in the

Securities Exchange Act in

the U.S.

GO has a significant stake

in Brisa, a Luxembourg-registered oil exploration company but with U.S. share-

holders and traded over-

counter in New York. Sir

James is chairman of the ex-

ecutive committee.

Early last year Brisa planned a rights issue underwritten by Banque Occidentale, part of the GO group. Under Securities Exchange Acts, this would normally have required Brisa to register in the U.S.

Instead Brisa polled share-

holders and obtained 95 per

cent acceptance of a proposal

to go ahead with the rights

issue without registering. Sir

James and GO did not vote

on the issue. Brisa argued

that it had exemption from the

requirements of the acts

because it was controlled by

a foreign Stock Exchange.

In this case Luxembourg.

The court action, brought by

two former directors

challenging the exemption, and

alleges breaches of general

anti-fraud provisions of the

acts relating to misleading in-

formation alleged to have

been given to shareholders

during the rights issue. The

company has moved for the

case to be dismissed.

Cavenham results Page 14

Continued from Page 1

Weather

By David Lascelles in New York

THE U.S. prime rate consolidated its upward shift yesterday when all major banks increased their rate by 4 per cent point to 11.1 per cent, matching the isolated move by Chase Manhattan on Tuesday.

Chitbank of New York triggered the rise with its usual Friday morning review of the prime rate, which it bases on a formula using the cost of short-term funds. Other major banks such as Manufacturers Hanover, Bankers Trust, Morgan Guaranty, Bank of America and large regional banks followed by noon.

This is the first general upward rise in the prime since it began moving down from its peak of 20 per cent in April. It reflects the tightening of the money markets that has accompanied recent signs of an economic recovery and fears of a new surge in money supply.

A local union official yesterday claimed the Kaiser board would propose liquidating the steel company at a meeting early

next month unless the union took some immediate action.

Earlier this week, workers of the troubled Wheeling-Pittsburgh Company, the eighth largest U.S. steel manufacturer, agreed by a substantial majority to postpone cost-of-living and bonus payments due to them this month.

United Steelworkers Union's hope is to remove the threat of possible liquidation next month for America's ninth largest steel producer.

The company, the largest West Coast integrated steel manufacturer, has said it may be forced into liquidation because of its dire problems.

Kaiser Steel workers, whose wages average about \$11 an hour, will be asked to vote on Tuesday on a cut of \$1 an hour.

A local union official yesterday claimed the Kaiser board would propose liquidating the steel company at a meeting early

movement had wished to crush the unofficial strikes it could have done so. He recognised that there were interlocking interests between the official strike and the official movement.

Peter Montague adds: Poland's Bank Handlowy signed a \$325m, seven-year Eurocredit yesterday arranged with a consortium of international banks under the co-ordination of the Bankamerica International Group. The credit, the subject of protracted negotiations, bears a margin of 1.1 per cent over interbank rates.

Originally the amount was to be \$500m. The lower eventual result reflects banks' concern over Poland's large external debt and its economic management, rather than the present unrest.

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M & G tax liability cut by £1.7m

By TIM DICKSON

M AND G GROUP, the second largest unit trust business, has further improved its financial position because a possible £1.7m tax liability has been cut to £2m. The DoT has said it might have to pay £7m tax because the Inland Revenue had declared that an offshore fund in which it was investing was subject to tax, and not exempt, as M and G had previously assumed.

Many policy-holders have since surrendered their units, while M and G has offloaded part of the liability under a reinsurance contract. As a result of fresh calculations by M and G's actu